

U.S. Sending Holbrooke to Prod Serbia On Karadzic

On New Trip, Envoy Will Read 'Riot Act' To Belgrade Leader

By Elaine Sciolino
New York Times Service

WASHINGTON — Richard C. Holbrooke, the Clinton administration's former chief negotiator in the Balkans, will return to the region this week in an effort to persuade President Slobodan Milosevic of Serbia to live up to the accords reached in Dayton, Ohio.

One of the aims of his talks will be the removal from power of two Bosnian

Two attacks on foreigners have raised tensions in Bosnia. Page 9.

Serb leaders accused of war crimes, according to a senior official.

The decision to send Mr. Holbrooke was reached Friday at a meeting of President Bill Clinton's national security advisers, after a recommendation by Secretary of State Warren M. Christopher, the official said.

Mr. Holbrooke will leave on Monday for Belgrade, and he will also travel to Sarajevo, the capital of Bosnia, and to Zagreb, the Croatian capital.

Although there are serious issues in all three capitals, the primary issue is Milosevic, the official said. "We will read him the riot act and make clear that his behavior is inconsistent with the promises he made in Dayton."

In particular, Mr. Holbrooke will press Mr. Milosevic to fulfill his promises on ensuring that Radovan Karadzic, the Bosnian Serbs' political leader, and General Ratko Mladic, the military commander, be deposed.

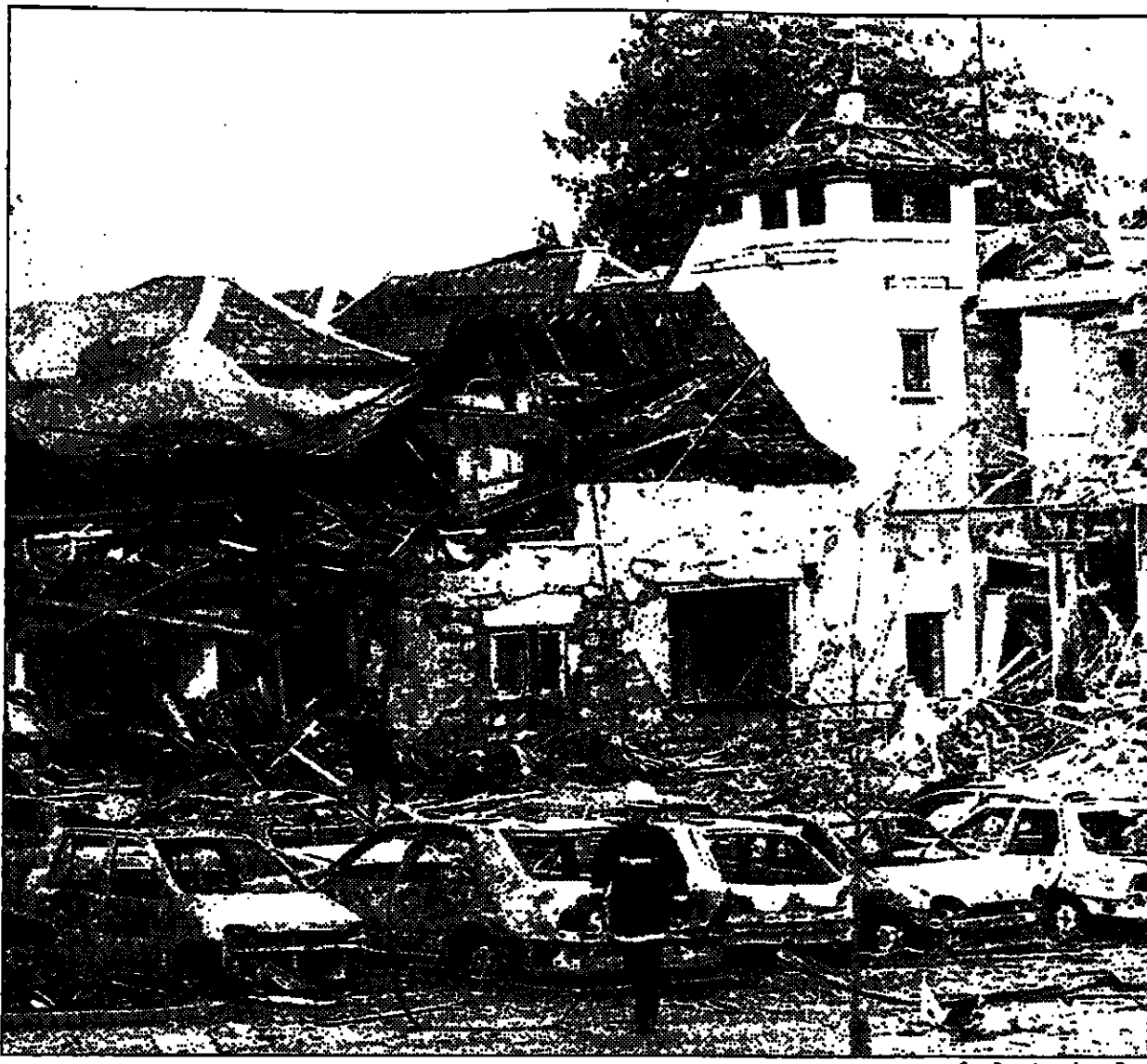
Last week, the International War Crimes Tribunal at The Hague issued arrest warrants for the two.

[In Sarajevo, Defense Minister Charles Millon of France said his government would ask the UN Security Council to give NATO troops in Bosnia a precise mandate to arrest people indicted for war crimes, Reuters reported.]

Elections that are viewed as critical to Bosnia's future are scheduled for September. The Western powers backing the Balkan peace accord want the Bosnian Serb leaders out of the way before the voting.

The thinking in asking Mr. Holbrooke to return to the region as an envoy is that he, more than any other official of the administration, has been able to wrest concessions from President Milosevic.

Under the guidelines of the NATO mission in Bosnia, the peacekeeping troops there do not have the responsibility to arrest General Mladic and Mr. Karadzic and turn them over to the tribunal.



The remains of a hotel in Enniskillen, Northern Ireland, after a car bomb blast Sunday that wounded 17 people.

Interest Rates Too High In France, Chirac Grouses

In Bastille Day Slap at Central Bank Policies, President Concedes Nation's Economic Gloom

By Joseph Fitchett
International Herald Tribune

PARIS — President Jacques Chirac said Sunday that interest rates were "too high, far too high" in France — and in Germany — and that it was time to cut them.

In taking the unusual step of publicly lashing out at the nation's central bank, Mr. Chirac disclaimed any intention of interfering with the bank's independence. That status is an important feature of France's qualifications to join a single European currency in 1999.

But his complaint, which appeared to be a bid to talk down interest rates and convey hope that cheaper money will become available for expanding business, was blunt.

"My opinion is that interest rates today, in any case in France, and I think also in Germany, are too high, far too high and there is big room for a reduction," Mr. Chirac said in an uncharacteristically long television inter-

view marking Bastille Day, the French national holiday.

Traditionally, in France, the occasion marks the start of a six-week vacation from politics, but Mr. Chirac's comments were awaited with special interest this year because of a growing pessimism about the prospects for an early economic recovery.

Parts of the French economy are performing well, and neighboring countries, including Germany and Spain, are also gripped by high unemployment. But the problem has festered in France, especially since Mr. Chirac has distanced himself from his promise when he assumed office last year to wage a crusade for jobs.

While he stuck to his insistence that deficit-cutting is the priority, Mr. Chirac acknowledged Sunday that the country is gripped by a morose mood, a malaise apparently rooted in economic insecurity amid mounting joblessness.

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Unofficial Best Buddy to the President



Vernon E. Jordan Jr., presidential friend and adviser.

By Jeff Gerth
New York Times Service

WASHINGTON — When President Bill Clinton needed a prominent representative to attend, and then brief him on, the inauguration of Taiwan's first democratically elected president last May, his choice was Vernon E. Jordan Jr.

When the president wanted to know whether Warren M. Christopher intended to resign as secretary of state, and also find out whether General Colin L. Powell would agree to replace him, Mr. Jordan sounded out both men.

And when grief touched the White House — after the 1993 suicide of Vincent W. Foster Jr., the deputy White House counsel and a longtime Clinton friend — Mr. Jordan went to the Foster house with Mr. Clinton and then stayed with him at the White House until 2 A.M.

Though he has no official portfolio, and receives little public recognition or scrutiny, Mr. Jordan has emerged as one of the most powerful figures in the Clinton administration. There are few advisers or officials to whom the president has turned as frequently and for such a variety of sensitive matters as Mr. Jordan, the unofficial best buddy of the president, his go-between, a power broker and adviser on foreign and domestic policy.

It is not merely Mr. Jordan's role in the president's life that is unusual. Mr. Jordan's life itself is a study in sharp contrasts. A black man of modest background who spent the first decades of his life in the struggle for civil rights and ended up a multimillionaire lawyer and a director of nine corporations, including American Express and Xerox.

But these positions only hint at his true power in cor-

See JORDAN, Page 9

AGENDA

Shake-Ups In the NBA

Gary Payton will stay with Seattle. Charles Barkley complained that his trade had been squashed. Juwan Howard of the Bulls and Alonzo Mourning signed with the Miami Heat and the New York Knicks signed a new backcourt tandem.

Business was brisk in the National Basketball Association free agent market Sunday as the flurry of signings followed the big moves on Saturday, when the Heat snagged Howard and re-signed Mourning.

The Knicks spent their \$9.2 million in salary cap room on point guard Chris Childs and shooting guard Allan Houston.

Payton signed a seven-year, \$85 million contract with the SuperSonics, the team he led to the NBA Finals last year. Page 19

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John Chancellor, the veteran NBC correspondent and news anchor, has died at 68. Page 6.

Renewed Combat Is Feared in Ulster After Hotel Blast

2-Year Truce Is in Jeopardy, Protestant Party Leader Warns

By Fred Barbash
Washington Post Service

LONDON — The return of all-out sectarian paramilitary warfare in Northern Ireland has become a distinct possibility following the bombing of a hotel in the province early Sunday morning and a full week of rioting.

While no organization has claimed responsibility for the bomb attack on the Killybegs Hotel in the town of Enniskillen, which wounded 17 people, it brought a blunt warning from political leaders close to Protestant paramilitary organizations that those groups were close to a resumption of terrorism.

The Protestant "loyalist" paramilitaries — the Ulster Volunteer Force and the Ulster Freedom Fighters, among others — have maintained their ceasefires so far in part because their Catholic counterparts, the Irish Republican Army, had avoided striking Northern Ireland itself, concentrating its bombings on the English mainland since resuming violence in February.

Sunday, however, David Ervine, leader of the Progressive Unionist Party in Northern Ireland, who has generally reliably reflected the views of Protestant paramilitaries, said that the Enniskillen bombing may have been "a bridge too far."

The loyalist truce is "absolutely, totally and utterly in jeopardy," Mr. Ervine said in one of several radio and television interviews broadcast here. "I think we have the potential to go to hell and back. The reality in this society is that you can try all you want, but you must have your actions reciprocated."

A renewal of paramilitary combat, if it follows past patterns, could make the turmoil of the past week seem tame by comparison. Two Catholics died in and around the disturbances over the past seven days — one a taxi driver shot to death, apparently by a Protestant; the other a Nationalist demonstrator run down by a police vehicle that was trying to stop firebombings in Londonderry.

About 300 others — police and civilians — have reportedly been hurt.

Damaging as the rioting was, the full-

scale warfare that lasted from 1969 to 1994 and claimed 3,000 lives, produced attacks in the Republic of Ireland as well as on mainland Britain, tit-for-tat assassinations of Catholics and Protestants and bombings of pubs and markets full of people, often with numerous deaths.

All of that stopped in the fall of 1994, when the paramilitary groups on both sides declared a truce and Northern Ireland began a slow but heartening revival

British and Irish tourists fight on the Canary Islands. Page 11.

of its economy and its spirits. IRA frustration at the slowness of the peace process that followed prompted the organization to return to terrorism in February, when it bombed the Docklands office development in London.

The most recent round of troubles began a week ago, when the British-run police force in Northern Ireland — the Royal Ulster Constabulary — banned a march by the Protestant Orange Order through a Catholic neighborhood in the village of Duncree.

After a four-day standoff, and loyalist violence across Northern Ireland, the police reversed themselves, fearing the ban might produce serious bloodshed in a confrontation with thousands of Orange Order members.

They allowed 1,300 members of the group to march through the neighborhood, using batons and plastic bullets to clear the streets of protesting Catholics. That set off rioting — firebombings, attacks on the police and the torching of cars, trucks and buses — in a dozen or more largely Catholic areas. Londonderry was particularly hard hit.

The Enniskillen bomb exploded in a car parked outside the hotel shortly after midnight, after two telephoned warnings that gave those inside a few minutes to evacuate the building.

The IRA issued a statement denying responsibility for the bombing. The authorities in Dublin were putting out word Sunday that they believed it to be the work of one of many paramilitary "splinter" groups from the IRA.

For Now, South Africa Needs Its Skilled Whites

By Lynne Duke
Washington Post Service

PRETORIA — In the old days of apartheid, South Africa's public service jobs were reserved almost exclusively for whites. But in this age of transformation, with a black government at the helm, the ranks have been thrown open to the nation's black majority. Most department heads are black, and the rank and file slowly is changing hues, too.

Amid massive restructuring of the million-member public service, many employees of the apartheid era have accepted new posts or taken severance packages.

But too many skilled whites want to leave government service at a time when too few blacks are available to fill their jobs. There are few black engineers, for example, or hydrologists or surveyors, to say nothing of nuclear physicists. So, until the skills level of the nation's black majority increases, government ministers are in the awkward position of prevailing upon some whites to stay.

"I had to tell them, 'We need your skills,'" said Public Services Minister Zola Skweyiya. "In deciding who goes and who remains, the interests of the state must prevail." He added, "Whites have got skills, and we need those skills to run South Africa."

Mr. Skweyiya's statements illustrate how South Africa's search for the right affirmative action policies has run smack into the realities of apartheid's legacy.

Mindful of the dearth of skilled blacks here, and watchful of the rollback

of affirmative action policies in the United States, policymakers this month unveiled a blueprint for South Africa's first anti-discrimination legislation to govern the racial transformation of both the public and private sectors. Officials are carefully steering clear of the term "affirmative action," and say their intent is not just to put a few black faces onto employment rosters but to overhaul an entire system created to serve a white minority.

There is truth in Lyndon B. Johnson's famous warning that people hobbled by chains cannot be expected to go to the starting line and compete effectively, said Mpho Makwana, a labor department official who led the drafting of the new legislation. But South Africa hopes not just to unshackle the runners but to change the rules of the whole contest.

"The rules also have to be defined to suit a majority culture," he said. "You want to ensure that it's not another number-crunching strategy."

President Nelson Mandela's government inherited a skewed system of education and employment. Under apartheid, which officially ended with the nation's first all-races election in April 1994, whites were groomed to lead while blacks were told to follow. The process of hiring, training, promoting and rewarding employees included explicit legislation reserving the best jobs for whites.

Apartheid's legacy is devastating: Adult blacks today have had half the educational years of whites; their salaries are barely a third of whites' salaries; and their unemployment rate is eight

See JOBS, Page 11

Tea by the Marble Fountain? Citibank Goes for the Gold

By Saul Hansell
New York Times Service

KUALA LUMPUR — It looks like a private club. Guarded, lush, served in plush green chairs. Marble fountain. Chandeliers.

Actually, it's the exclusive reserve of Citibank customers with more than \$120,000 on deposit, part of a program called Citigold that treats customers like first-class airline passengers.

It's a far cry from what such people were accustomed to at competing banks in Malaysia. No

standing in line with the raffia here; each customer has a personal banker, just as the super-rich do.

On the traffic-clogged streets outside, 180 Citibank representatives are selling credit cards door to door in neighborhoods where young professionals in Malaysia's fast-growing middle class work and live.

On this sticky afternoon, Vincent Kuana has just returned to the office with three completed applications for credit cards. Before he joined Citibank he had worked for an Italian designer in a chic boutique.

"This is easier to sell," he says. "The Citibank name just sells itself."

From a standing start eight years ago, Citibank has taken Malaysia by storm. Its Citigold program has attracted \$1.5 billion in deposits from 4,000 clients, one-fifth of all the people who qualify. It is the leading credit-card issuer and mortgage lender. Indeed, it does some business with 13 percent of the country's households.

With superior service, aggressive sales techniques and innovative technology, Citibank has established itself as the pre-eminent banker to

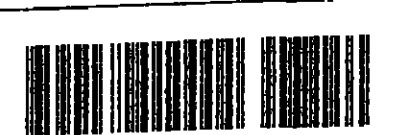
Asia's rapidly growing middle class. It has done so against odds that discouraged nearly every other international bank — cultures that frown on borrowing, governments that impose stifling restrictions on foreign banks and a lack of basic services like credit bureaus and good phone connections.

"Citibank has done a great job in blazing the trail, especially in high-risk markets in Asia," said Thomas O. Ryder, president of American Express International, which lost its early lead in the re-

See BANK, Page 11

Newsstand Prices

Andorra	10.00 FF	Lebanon	11.3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1.600 CFA	Qatar	10.00 Rials
Egypt	5E 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1.100 CFA	Senegal	1.100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	\$1.20



THE AMERICAS

On the Road Again, This Time With Three Generations of Family

By Trip Gabriel
New York Times Service

CHURCHVILLE, Maryland — Famished and fatigued after a seven-hour pull behind the wheel on Interstate 95, Steve Benton stepped down from his white van in the parking lot of a rest area 30 miles north of Baltimore, mopped his brow and uttered a comic-strip exclamation: "Whew!"

Next, his wife, Fredericka, stepped out. Then their two young children.

On the open road this summer there is an increasingly common sight: In vans and sport utility vehicles piled high with bicycles, Game Boys and Barbies, between the children in the back seat and often reveling in the commotion, there is a shock of white hair belonging to a grandparent.

The generation that grew up crying, "Are we there yet?" from the back of the station wagon

now finds itself in the driver's seat, and the passengers often include their own parents as well as their children.

Travel by three generations together is on the rise, travel experts say, driven by broad demographic and social changes of the 1990s, chief among them the desire of working adults to spend their limited free time with their children, and grandparents who are living longer, healthier lives.

"It's a demographic feature that we haven't really seen before: the norm now for adult children is to share a longer portion of their lives with their aging parents," said Gina Bria, an anthropologist with the Institute on Family Development, Lifecycle and Lifestyles, a research group in New York City.

With the increased mobility not only of adult children but also of grandparents who retire to far-flung places, many families are adrift at vacation time.

"We don't have the public square anymore,"

Ms. Bria said. "Where do we meet? Families have to find new places to gather. On the deck of a cruise ship, say."

The Holland America Line, which has six ships plying the waters of Alaska this summer, says that the number of people traveling in three-generation groups has jumped 30 percent in 1995-96 over a year earlier, to 30,000 from 23,000.

"We're seeing a very striking growth in multigenerational travel," said Larry Dessler, a spokesman for Holland America, which courts the market by offering separate children's programs: everything from day care to shore excursions to a native Alaskan village.

Multigenerational travel is still too new a market niche to be the subject of national statistics, but that may soon change. "We've considered studying it, because it's coming up more and more within the industry," said Shawn Flaherty of the United States Travel Data Center, the research arm of the Travel Industry Association of America.

In the meantime, individual tour operators confirm that the makeup of some of their tours is changing. Chris Case, vice president of AFC Tours in San Diego, said that several years ago the company started packaging trips to Orlando, Florida, and Washington for grandparents and grandchildren, but now "they're turning into family programs."

With families living far apart, she added, the tours "are used as a reunion time."

Ellen Gill, a travel manager in Buffalo, New York, for the American Automobile Association, recalled that a vacation she took a few years ago with her father and two daughters, then teen-agers, was a conscious effort by four overscheduled people "to set aside quality time with one another."

They drove from Buffalo to Walt Disney World on a trip that proved for Mrs. Gill, her daughters and her father, whom she described as a curmudgeonly man in his 80s, that they could all learn from one another.

Mrs. Gill's father, Walter Shepard, is a retired steelworker who in his day could not see spending hard-earned money on motels and restaurants, his daughter said.

"My dad's idea of a vacation when I was a girl in the late 50s was to leave Saturday afternoon and drive eight hours to D.C.," she recalled. "We'd see Washington by moonlight and be home by Sunday night."

Driving to Florida in her father's Lincoln, Mrs. Gill had control of the wheel. The family drove at a comfortable three-day pace and stayed in nice hotels. Diner-style restaurants were chosen out of respect for Mr. Shepard's no-frills tastes. "When it comes to traveling with my dad, it's a compromise," Mrs. Gill said.

In Orlando they had the run of attractions that Disney has been promoting to appeal to a wide variety of ages: water parks for children, shopping for adults, ballroom dancing and golf for older adults.

Hurricane Heads North And Sputters

Compiled by Our Staff From Dispatches

SURF CITY, North Carolina — After battering the Carolina coast, the weakened remnants of the hurricane designated Bertha moved north over the weekend, spawning tornadoes and dumping rain from Maryland to Massachusetts.

"It's still a tropical storm but it won't be much longer," predicted Scott Reynolds, a meteorologist with the National Weather Service.

James Lee Witt, head of the Federal Emergency Management Agency, said: "We're very, very fortunate. This storm could have been a lot worse."

In New England, heavy rains began early Saturday morning and flood watches were in effect. Tens of thousands were without power.

But there were no reports of new injuries from the storm, which has killed eight people. (AP, Reuters)



Transportation department workers surveying hurricane damage on a road in North Topsail Beach, North Carolina.

Where Cuba Ban Hits Hard

Mining Town Fears Loss of New-Found Prosperity

By Juanita Darling
and Craig Turner
Los Angeles Times Service

MOA, Cuba — The bearded man in the hard hat, waiting at a bus stop for a ride up the crimson mountain to the nickel mine just outside town, says he pays little heed to global politics. But this forklift operator does know that in the two years since Canadians began investing in the mine here, his life has grown better.

"They have improved our wages and increased our productivity," he said of the outsiders.

Indeed, that higher productivity has helped to turn the mine into a key source of foreign hard currency in dollar-starved Cuba. Prosperity — through bonuses — has also trickled down to the mine's 1,700 workers, and from them, into MOA.

But now townsfolk find their improving prospects threatened by the United States' first steps to enforce the new Helms-Burton law.

The measure, which aims to tighten the U.S. embargo against the Communist nation and especially to curtail foreign investment there, punishes companies around the globe that do business with Cuban property expropriated from U.S. corporations after President Fidel Castro's 1959 revolution.

The law has made the MOA mine a focus in an increasingly bitter fight between the United States and some of its closest allies. The acrimony intensified last week when the U.S. State Department announced it would enforce one of the law's most controversial provisions: Nine executives and directors of Sherritt

International Corp., the Canadian metals company that co-owns MOA's mine, as well as their spouses and children, were told they will lose their U.S. visas by the end of the summer unless the company withdraws from Cuba.

The threats contained in the law, U.S. officials acknowledge, are unconventional in diplomatic and international trading terms.

But they have been effective, they add, noting that the Mexican cement maker Cemex has agreed to divest its Cuban holdings and four European investors are reconsidering their financing of Cuban sugar crops.

"It is clear that the law in many cases has had an inhibiting effect" on foreign investment, a Cuban Foreign Ministry spokesman said.

This has come at a cost, though, for the United States, as its furious neighbors and many of its major trading partners are siding with Cuba and see little in Helms-Burton other than election-year posturing. They argue that the law even may destroy the three-year-old North American Free Trade Agreement among the United States, Canada and Mexico.

Canada and Mexico are two of the countries most likely to be affected by Helms-Burton. President Bill Clinton has until Monday to suspend elements of the law, which he signed March 12 — just weeks after Cuban Air Force jets shot down in the Florida Straits two airplanes piloted by exiles, killing four people.

If Mr. Clinton does not act, said the Canadian minister of international trade, Art Eggleton, Canada will try to stop Helms-Burton's application by using procedures outlined in the North American Free Trade Agreement.

(Treasury Secretary Robert E. Rubin defended the recently tightened embargo Sunday, saying that the United States acted where others only criticized, Agence France-Presse reported from Washington.)

[Saying that the Helms-Burton law aims at protecting democracy in Cuba and "our national security interests," Mr. Rubin told a U.S. television network: "The rest of the world says, 'This shouldn't be done.' We take actions and try to promote these interests that all of us agree on and the other countries in the world don't."]

The State Department's announcement that it would enforce the visa clause of the law infuriated not only Canada, but also Mexico. It sent a diplomatic protest, asking Mr. Clinton to suspend the legislation, which is named for its principal Republican sponsors, Senator Jesse Helms of North Carolina and Representative Danny L. Burton of Indiana.

■ Exiles' Tribute at Sea

A flotilla of Cuban exiles reached the edge of Cuban waters over the weekend to honor 41 refugees who died two years ago when their fleeing tug was sunk by Communist gunboats. The Associated Press reported from Key West, Florida.

Under blue skies with calm seas, 19 boats, some flying Cuban and American flags, left Key West on Saturday for the 78-mile (125-kilometer) journey. Five vessels turned back before completing the trip. Prayers were said, and the tribute ended with the singing of the Cuban national anthem.

POLITICAL NOTES

A Buchanan Warning on Perot

WASHINGTON — Another Ross Perot run for the presidency poses a "mortal threat" to the chances for the presumptive Republican nominee, Bob Dole, the conservative commentator Pat Buchanan said Sunday.

"If you have a very strong Reform Party," said Mr. Buchanan, who came in second to Mr. Dole in the Republican primaries, "you've got a very serious problem in terms of winning the presidency."

Mr. Perot, who took 18 percent of the vote as an independent in the 1992 election, announced last week that he was willing to run again, this time at the head of the ticket of his Reform Party.

Mr. Buchanan said on television that he was concerned that the Reform Party would siphon off what he called the "conservative populist" vote. (AP)

Dispute Over the Privacy Act

WASHINGTON — The FBI has been violating the law, at least technically, for more than 20 years by providing the White House with sensitive background reports on the people who work there, according to a lawyer who specializes in the Privacy Act.

The FBI is entitled to share the information only with a bona fide federal "agency," said the lawyer, Robert Gellman. He said the White House counsel's office, which routinely gets the reports, is not an "agency."

FBI officials say they are on solid legal ground. They say the kind of "agency" they can share their confidential reports with, under regulations published in the Federal Register, does not have the same meaning that the word has under such federal laws as the Privacy Act. In short, the word "agency" means what the FBI says it means, not what the law says it means.

The FBI's general counsel, Howard M. Shapiro, agreed that Mr. Gellman was right in how the word "agency" was defined and interpreted by the courts in regard to the Privacy Act. But all that, he argued, was "beside the point." (WP)

Abortion Backers on the Move

WASHINGTON — Taking a militant page from the opposition's strategy manual, the abortion-rights lobby is targeting 15 vulnerable freshman Republicans in the House for defeat, preparing to publicize their votes on more than a score of anti-abortion measures.

All 15 freshmen won by margins of less than 5 percentage points two years ago.

"This is the most intensive public education effort on abortion that we've ever undertaken," said James Wagner, vice president of the National Abortion and Reproductive Rights League, contending that the Republican Congress had proved to be the most militantly anti-abortion since the Supreme Court upheld the right to abortion in 1973. (NYT)

Quote/Unquote

Bob Dole, calling for a "flatter, fairer" tax system: "I believe you should be able to file your tax return on a postcard, or electronically, without paper at all." (NYT)

Away From Politics

• Police officers in Edmond, Oklahoma, found four large pipe bombs taped together and arrested the occupant of a motel room after an explosion and fire. (AP)

• A 6-year-old boy in Martinez, California, has been ordered to undergo intensive counseling rather than stand trial on charges of breaking into a neighbor's home and beating a month-old infant almost to death. (LAT)

• A prosecutor has ruled out charging three people suspected of darning a mentally disabled man to set a fire that killed eight people in a Scottsboro, Ohio, fireworks store. Each suspect was interviewed several times and took polygraph tests that showed "absolutely no evidence of deception," J. B. Collier Jr. said. (AP)

New Radar Failing to Warn Pilots of Hazardous Winds

By Alice Reid
Washington Post Service

WASHINGTON — A sophisticated radar system designed to warn pilots of dangerous wind conditions that can slam airplanes into the ground has failed at virtually all of the 16 U.S. airports where it was installed, the Federal Aviation Administration has admitted.

The Doppler system at National Airport outside Washington has been down — sometimes for hours, even days — nearly once a week on average since the much-touted safety device started operating in January, according to documents obtained by The Washington Post.

Doppler radar can see into storms and detect deadly downdrafts and sharp wind-direction changes.

At National, the \$8 million system was out of commission last month when wind shear caused a USAir shuttle with 111 passengers to hit a runway light, damaging a wing tip on takeoff. There were no injuries. The problems, on the afternoon of June 24, were caused by a faulty phone connection between the radar unit and equipment in the tower, Federal Aviation Administration officials said.

Less than a week later, on June 30, the Doppler failed again because of computer glitches and a problem with a cable connection, officials said. It did not operate again for four days.

According to a memorandum from National's con-

trol tower manager, the airport's Doppler was out of service because of problems on 27 occasions from Jan. 4 to June 21, for a total of 203 hours.

"We are concerned with the reliability of this new equipment as a useful air traffic control tool," the memo said.

National's Doppler problems are not unique. The Aviation Administration has installed the new system in 16 airports as part of a \$373-million safety program that eventually will outfit 47 airports. At virtually all the airports, which include some of the nation's busiest, there are problems, and frequently the radar is not operating, the agency has conceded.

Agency officials said they are struggling to understand why the system is so unreliable, in part because they have seen a variety of problems, not a single cause of the breakdowns.

At National, for example, documents show that officials found problems ranging in severity from computer faults in the motors that position the radar antenna, which sits 12

miles away from the airport inside a protective sphere 80 feet above the ground.

"The problems we're really putting our attention to now are problems with the computer at the radar site," said Don Turnbull, chief of the FAA's radar programs. "We don't know if it's the software, the power inputs. And we're trying to collect the data. What's difficult is that it's intermittent."

Engineers from the FAA and Raytheon, the manufacturer of the radar system, and the Harris Co., which makes the computer that runs it, are working together to find the bugs, Mr. Turnbull said. "We did a lot of testing" of Doppler systems, he said. "We're a little surprised the problems didn't show up then."

"The Doppler now goes out of service a couple of times a week," said Mike Coulter, a controller at Denver International Airport. "Every time, it's something different."

But when it is operating, he added, "It's an excellent piece of equipment. It paints a graphical picture of exactly what's going on."

In this Tuesday's

Style

The Changing Female Body

An Olympian Ideal of Beauty



Herald Tribune

THE WORLD'S DAILY NEWSPAPER

Good News to our readers in Marseille & the South East of France: The IHT is available at all these fine news agents.

(13) BOUCHES DU RHONE

AIX EN PROVENCE

La Havane

57, Cours Mirabeau

L'Encrier

Centre Commercial Casino

Kiosque Presse

37 Blvd du Roi René

Kiosque Presse

Place Bellegarde

Kiosque Presse

Place du Général de Gaulle

Kiosque Presse

Place Jeanne d'Arc

Kiosque Presse

Place des Prêcheurs

Kiosque Presse

Place de l'Hôtel de Ville

Maison de la Presse

23, Cours Mirabeau

AIX LES MILLES

Tabac Presse

"Le Mercure", Bat. A

Rue Ampère

ARLES

Kiosque Presse

Place Lamartine

Maison de la Presse

40, Rue de la République

Presse France-Loire

Boulevard des Lices

CABRIERES

Le Temps de Lire

Centre Cial GEANT

Plan de Campagne

CARRY LE ROUET

Maison de la Presse

1, Route Bleue

CASSIS

Maison de la Presse

4, Ave. Victor Hugo

Presse

13, Ave. de la Viguerie

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ASIA/PACIFIC

Amid Hong Kong's Wealth, Home Is a Steel Cage

By Edward A. Gargan
New York Times Service

HONG KONG — A rusty, sour odor sketched the gloom that enveloped ranks of steel cages jammed into a third-floor chamber of a decaying tenement.

Dimly, the silhouettes of men appeared, one by one uncoiling from the stacks of cages like cicadas casting off their cocoons.

Ma Kwai-ban, a feather of a man clad in a skimpy white undershirt and baggy gray pants, padded into a dim circle of light.

"I've lived here 36 years," he said quietly, his hand resting on the chain-link cage he calls home. "I have no family and can't afford to stay anywhere else."

Here, in one of the world's richest cities, the growth and persistence of poverty is hidden away, tucked into mildewed tenements and under highway overpasses.

But the poorest of the poor live in Hong Kong's cage homes — steel mesh boxes barely large enough for a mattress and a recumbent occupant, stacked in twos and threes — in the heart of the other Hong Kong.

"These are among the poorest in Hong Kong," said Chong Chan-yan, director of fund-raising for Oxfam, a private organization that assists poor populations, particularly in the Third World.

"There is undeniable poverty among the poorest section of our community. The poorest 10th of the population is getting a smaller and smaller share of the pie. The gap between the richest and the poorest is getting wider and wider."

By the time China resumes sovereignty

"These are the people whose voices are not heard."

Mr. Ma has lived here since 1960, climbing a narrow concrete stairwell to the third-floor room filled with cages. His is No. 18.

"I came to Hong Kong in 1955," he explained, shifting from one foot to another as he

For his cage, Mr. Ma, 58, pays \$41 a month. "I'd like to move to a better place," he said, "but I don't see how."

Nearby, sitting on the edge of a floor-level cage, Zhu Qishui sucked on a cigarette. "This is O.K., not so bad," he said, glancing at the racks of cages. "I just came from China, from Jiangxi. Actually it's better back home, but this is not so bad."

Every day, 150 mainland Chinese are allowed to immigrate into Hong Kong, and countless others come on visiting visas, which many of them overstay. Mr. Zhu, who came on a visitor's visa hoping to find some kind of work, has been here for three months.

"I heard about Hong Kong from friends," he said. "They said it was easy to make a lot of money. But I still have no work, so I'll have to go home."

Ms. Tsang insisted that the persistence of cage homes in Hong Kong was intolerable. "This is one of the richest cities," she said. "We want the government to resettle these people in affordable decent housing. But even if the government resettles these people, new people will come in."

Already, slightly more than half of Hong Kong's population lives in subsidized government housing, but the waiting time for an apartment is nine years. Mr. Chong of Oxfam believes that Hong Kong, with reserves of \$57 billion, could do more for its poor.

Rent is \$41 a month, and Mr. Ma has lived there 36 years. I'd like to move to a better place, but I don't see how I can.

over Hong Kong next July 1, said Mr. Chong, citing government data, there will be 180,000 families on public assistance in a society in which the role is viewed with shame.

"That will be about 10 percent of Hong Kong's households," Mr. Chong said. "And there is this surviving Chinese attitude that 'I don't want to be dependent on the government. I feel ashamed of my children not supporting me.'"

It is not clear how many people actually live in cages here. The Hong Kong government puts the number at 2,800, while Kaitia Tsang, a social worker for a private agency that works in the poor communities and with cage dwellers, says the number actually approaches 10,000.

"About 70 percent are elderly, single people with no families," Ms. Tsang said.

spoke. "There was no food in China, so I came here. But life is difficult in Hong Kong. From my point of view, there's not much difference between Hong Kong and China."

Every day at 4:15 A.M., Mr. Ma rolls from his cage, hurriedly washes in the one cramped bathroom that serves the 25 people who live in the cages stacked in the room. Then he walks a few blocks to the restaurant where he works selling dim sum, a job that pays him about \$275 each month.

"I used to work in a garment factory," he explained. "I worked there for 18 years, but they moved to China so I had no job. I'm illiterate, so that makes it difficult to get a job. Anyway, the only thing for me to do is to work hard every day so I can live. I don't really think my life will change after 1997, after China takes over."

After Patten, Who's Next?

Beijing Wants 400-Member Panel to Choose

Compiled by Our Staff From Dispatches

BEIJING — A Chinese panel has outlined how the chief executive of Hong Kong should be selected after Britain returns it to Beijing next year, the Xinhua press agency reported.

The decision came as a survey published Sunday showed that a majority of Hong Kong residents wanted the current chief secretary, Anson Chan, to hold the office.

Ms. Chan, who is a deputy to Governor Chris Patten and heads the 180,000-member civil service, has not campaigned for the position, and it is unlikely Beijing will allow her to hold it.

She received 59.3 percent support in the poll, while the leader of the Democratic Party, Martin Lee, was a distant second at 9.7 percent. Mr. Lee is a strong opponent of Beijing's plans for Hong Kong.

The survey also showed that 68.3 percent of residents expressed confidence in Hong Kong's future, compared with 62.3 percent in December. But only 15 percent said they expected their financial position to improve under Chinese rule, while 18.3 percent thought their circumstances would get worse.

The panel of the Beijing-appointed Preparatory Committee decided during a two-day meeting that ended Saturday in Beijing to create a 400-member selection committee that would be divided into four equal parts.

The formula will be submitted for approval to a full session of the Preparatory Committee on Aug. 9 and would then be put into action, Xinhua said.

The first session would be made up of Hong Kong residents from industry, commerce and

business, while the second would be comprised of Hong Kong professionals.

Residents active in labor organizations, social services, religion and other areas would be eligible for the third sector, while the fourth would be reserved for political figures.

The last sector would automatically include the 26 Hong Kong deputies to the National People's Congress, China's Parliament. Thirty-four representatives from among Hong Kong members of the National Committee of the Chinese People's Political Consultative Conference, a Beijing advisory body, would also be included.

"Original political personages" would make up the rest of the sector, Xinhua said, and could be nominated by five Preparatory Committee members or by the politicians' own organizations. The report gave no details of which politicians would be considered eligible.

China has said the selection committee would appoint the first post-handover leader of Hong Kong before the end of the year, to allow time for preparations when it takes over Hong Kong next July 1.

Under the proposed formula, nominations by the first three sectors would be reviewed by the Preparatory Committee secretariat and be subject to a series of consultations before being voted on in a secret ballot of Preparatory Committee members.

Pro-democracy activists in Hong Kong condemn China's moves to replace the elected legislature as an attempt to snuff out democracy in the territory after Beijing takes over.



ROYAL CHECK — Prince Charles, in Brunei for the sultan's 50th birthday celebration, looking at a student's exercise book Sunday during a school visit.

Ramos to Brief Church Leaders On Agreement With Muslims

MANILA — President Fidel V. Ramos will meet Christian leaders this week to discuss a proposed peace agreement with Muslim insurgents, according to an official statement Sunday. The meeting in the presidential palace on Thursday will be attended by Catholic and Protestant church leaders.

Mr. Ramos, the first Protestant president of this largely Roman Catholic nation, will be accompanied by members of a government panel that negotiated a deal to create a special council to coordinate development work in 14 provinces and nine cities in the southern Philippines. The council will pave the way for the creation of a Muslim autonomous region. (AFP)

Floods Slow China Dam Project

BEIJING — Work on China's Three Gorges Dam has been slowed, but not halted, by devastating floods, the Xinhua news agency reported Sunday.

The agency said rising waters at the end of June that killed at least 600 people in south and eastern China have not stopped construction on the 185-meter-high dam.

"High temperatures and heavy rains in the second quarter this year brought difficulty to concrete laying work," the news agency said. (AFP)

Afghan Leader Closes Cinemas

KABUL — Prime Minister Gulbuddin Hekmatyar has ordered all movie theaters in the Afghan capital shut down until they can show "suitably Islamic" films.

The prime minister, who took office just 19 days ago at the head of an interim coalition government, also banned music from Afghanistan's national radio and television stations.

Aimed at tightening moral and religious controls, the moves came just two days after Mr. Hekmatyar warned the country's civil servants that they would soon have to follow a series of strict new Islamic laws. (AFP)

Bacillus in Japanese Outbreak

TOKYO — Nearly 2,700 children in a city in western Japan developed symptoms of food poisoning linked to the potentially fatal colon bacillus, a municipal spokesman said Sunday.

Health officials in Sakai, Osaka prefecture, said the O-157 colon bacillus, which has killed three children already this year, caused the outbreak Friday. They found the germ in the stools of 13 children, the spokesman said.

Several hundred children had fever, diarrhea and blood in stools by Saturday. The number increased Sunday to 2,691, with 140 hospitalized. The children are from 47 of 92 elementary schools in the city. (AFP)

VOICES From Asia

Daw Aung San Sun Kyi, the Burmese opposition leader, denying charges that her party was anti-business: "We advocate the kind of business that benefits the whole country." (AFP)

Benazir Bhutto, prime minister of Pakistan, rejecting opposition calls for early elections: "I cannot step down, accepting their demand for mid-term elections, as it would be like insulting the mandate of the people of Pakistan for a five-year term." (AFP)

Guruh Sukarnoputra, the son of former President Sukarno of Indonesia, in a letter to supporters after the military authorities barred him from addressing them: "The conditions have not made it possible for me to meet you even though I really wanted to." (AFP)

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Bangladesh Opposition in Uproar

Alleged Insulting Gesture Is Protested as Parliament Opens

Compiled by Our Staff From Dispatches

DHAKA, Bangladesh — The opening session of Bangladesh's new Parliament turned into chaos Sunday after opposition legislators walked out for an hour and then reacted with fury to an alleged offensive thumb gesture by the shipping minister.

The gesture is considered a grave insult in Bangladesh.

"This is a dishonor not only to Parliament but to the nation," said the deputy leader of the opposition Bangladesh Nationalist Party, Badruddoza Chowdhury.

"The minister must apologize for his showing of the thumb," he said. "And the speaker must ask the minister to do so."

Shipping Minister A.S.M. Abdur Rab denied that he had made the gesture. Only opposition lawmakers said they had seen it.

Leaders of the governing party, the Awami League, led by Prime Minister Hasina Wazed, vainly tried to cool down the opposition.

Earlier, Nationalist Party members staged a walkout at the beginning of the session after the outgoing speaker, Razzak Ali, refused to allow them to move a proposal before the new speaker, Humayun Rasheed Choudhury, had taken his chair.

Sheikh Ali, himself a member of the opposition, said all proposals had to wait until he had surrendered his office. But former Prime Minister Khalida Zia and her opposition colleagues shouted that Sheikh Ali had violated procedure.

They came back after an hour and erupted in uproar over the question of the new speaker's neutrality.

Sheikh Hasina called the walkout unfortunate and "preluded," and thanked the outgoing speaker for his firm resolve.

"I again pledge to make the Parliament a focal point for all national activity and seek constructive cooperation from the opposition," she said. (Reuters, AFP)

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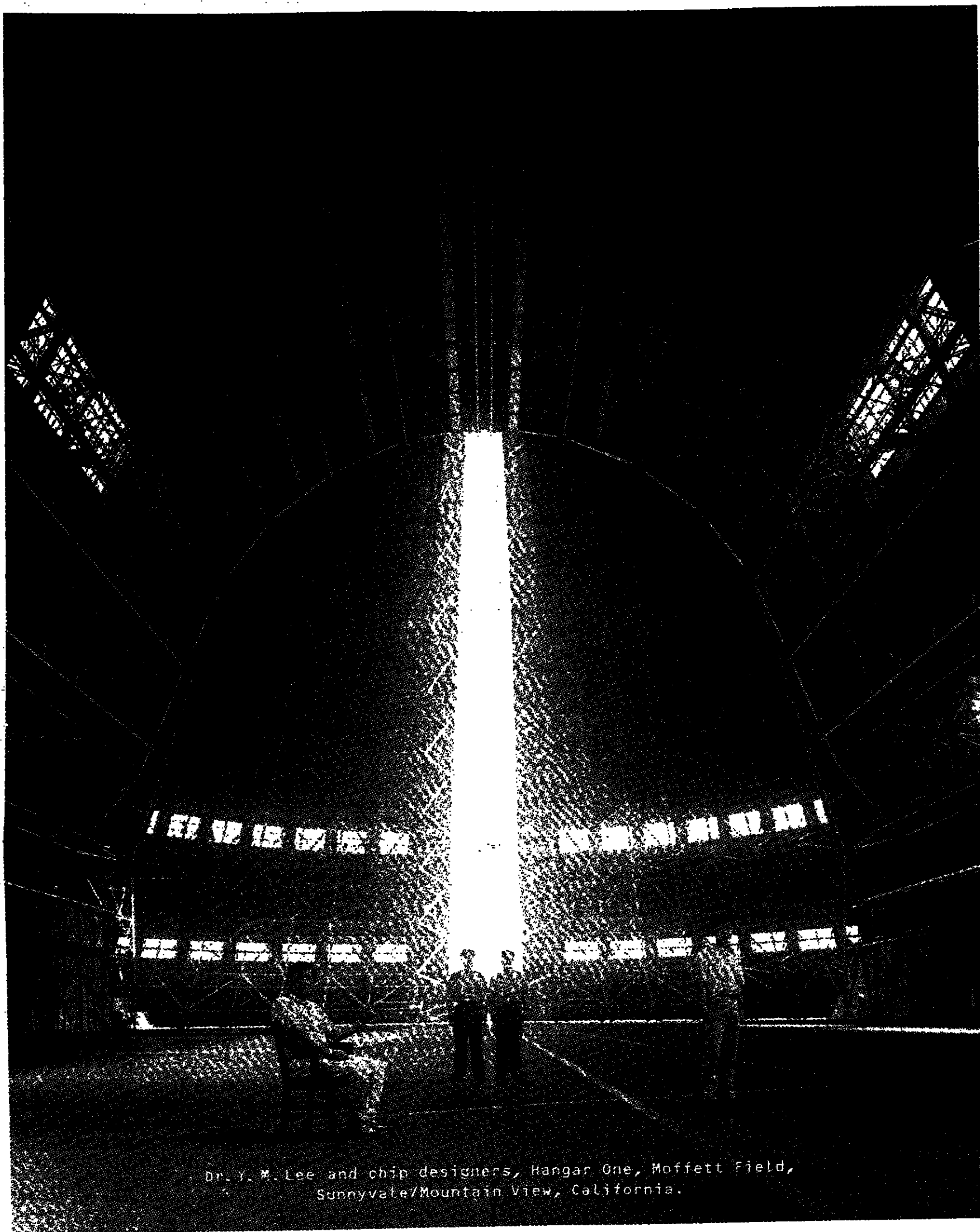
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INTERNATIONAL

Historic Orient House Draws Israeli Warning Palestinians Said to Misuse Site

By Glenn Frankel
Washington Post Service

JERUSALEM — For nearly a century, the sandstone Arab mansion known as Orient House has received distinguished visitors from history's vast parade, including Kaiser Wilhelm II of Germany, Emperor Haile Selassie of Ethiopia and Ronald H. Brown, the U.S. secretary of commerce who was killed in a plane crash this year in the Balkans.

But now the very act of hosting foreign dignitaries has made Orient House the focal point of an increasingly bitter test of symbols and will between Israel's new rightist government and the Palestinians.

Israel contends the Palestinians are using Orient House as the East Jerusalem headquarters of the Palestinian Authority, in violation of the Oslo peace accords, and Israeli officials are threatening to shut it down.

The new Israeli prime minister, Benjamin Netanyahu, during his trip to Washington this past week, cited those activities as one of the "violations" of the accords that he says call into question the Palestinian commitment to the peace process.

But Palestinians insist that Orient House's many political and diplomatic activities long predate the 1993 accords and have nothing to do with the Palestinian Authority.

They see the Israeli crackdown as an attempt to strip them of their rights and dignity in a city that both sides claim for themselves and their national movements.

And that is what each side contends is really at stake in the dispute: the fate of Jerusalem. For the Israelis, the activities at Orient House are a direct challenge to their sovereignty over the Arab sections of the city, which they conquered during the 1967 Six-Day War, while for Palestinians it is a symbolic foothold.

Each contends the other is attempting to establish "facts" on the ground to influence final status negotiations begin later this year.

"This is part of the whole game," said Faisal Husseini, the unofficial mayor of Arab East Jerusalem whose family built and owns Orient House. "Closing Orient House means closing the file on Jerusalem. And closing the file on Jerusalem means closing the peace process."

Mr. Husseini's ancestors, who formed the city's most prominent and

wealthy Arab clans, built the broad, two-story mansion in 1897.

Kaiser Wilhelm came for tea during his trip to Jerusalem a year later and Haile Selassie set up court there after Italy conquered his kingdom.

Mr. Husseini, who during the years of Israeli military occupation emerged as the Palestine Liberation Organization's most prominent local leader, set up a political research center there in 1983. It was raided and shut down by Israeli troops in July 1988 at the height of the Palestinian uprising. Mr. Husseini was detained without charge on and off for several years.

Mr. Husseini uses the ornate reception rooms of Orient House to receive dozens of Palestinian constituents each week. He arbitrates disputes over a wide range of legal, financial and personal matters, and provides legal advice to those who have come in conflict with the Israeli authorities. "Anyone with a problem comes to me," he says. "I sit with them and try to reach agreement."

Since 1992, Orient House has also served as headquarters of the Palestinian delegation to the peace talks with Israel, which Mr. Husseini officially heads. It is in this capacity that he and other members of the delegation have received more than 50 representatives of foreign countries since the signing of the Oslo accords between Israel and the PLO in 1993.

The mansion has also been a prime locale for meetings between Palestinians and members of the Israeli peace camp.

The accords stipulated that the offices of the autonomous Palestinian Authority would be located in the Gaza Strip and Jericho, later modified to include "subordinate offices in the West Bank." Another provision states that the authority's jurisdiction "will not apply to Jerusalem."

At the same time, however, an accompanying letter from the foreign minister of Israel at the time, Shimon Peres, addressed to the then-foreign minister of Norway, Johan Jorgen Holst, pledged to preserve "all the Palestinian institutions of East Jerusalem, including the economic, social, educational and cultural."

"Needless to say, we will not hamper their activity," Mr. Peres wrote. "On the contrary, the fulfillment of this important mission is to be encouraged."

The letter was not published as part of the agreement, nor was it approved by



An ultra-Orthodox man pulling his twins clear of the path of police water cannon during clashes between religious and secular Jews in Jerusalem.

Jewish Settlers Draft Expansions

JERUSALEM — Jewish settlers said Sunday they planned to triple their numbers, an intention derided by Palestinians as a catastrophe in the making.

Settler leaders in the Israeli-occupied West Bank and Gaza Strip said their plans included the creation of new settlements, although the focus would be on expanding existing communities.

"I do not think the Palestinian people will stand handcuffed before this settlement assault," said Hasan Asfour, director of the Palestine Liberation Organization's peace negotiating office.

Prime Minister Benjamin Netanyahu's Likud party backs Jewish settlement, but he has yet to adopt a plan for

the West Bank and Gaza. Parts of those areas were handed over for Palestinian rule by Israel's last government.

Thousands of ultra-Orthodox Jews hurled garbage and stones at a convoy of cars in a Jerusalem street that has become a symbol of the battle between religious and secular Israelis. The Associated Press reported from Jerusalem.

Saturday was the second day of violent protests by Jews outraged by a court ruling Friday that blocked a government order to close Bar Ilan Street for the Jewish Sabbath. Water cannon and mounted police were used to disperse about 5,000 protesters.

the West Bank and Gaza. Parts of those areas were handed over for Palestinian rule by Israel's last government.

■ Orthodox Jews Renew Protests

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that Mr. Husseini is a cabinet minister in the Palestinian Authority, he himself insists he is not, but rather serves as the Jerusalem representative to the executive council of the Palestine Liberation Organization, whose activities are not banned by the Oslo accords.

The result until recently was a state of constructive ambiguity in which each side could make claims without infringing on the other. The government contends that Orient House is one of at least seven Palestinian institutions that function in the city in violation of the terms of the Oslo accords.

Q & A / Milos Zeman

A Classic Economy For Czech Republic

Milos Zeman, 51, a leftist leader of the 1989 revolution in Czechoslovakia, was elected chairman of the Chamber of Deputies of the Czech Republic after his Social Democratic Party ran a close second to Prime Minister Vaclav Klaus's conservative Civic Democratic Party in the June 2 election. He spoke with Tom Buerkle of the International Herald Tribune in Brussels.

Q. Does the election result indicate that support for free-market reforms is waning in the Czech Republic?

A. No way. We are going toward the classic European political model — a model with very strong social and ecological aspects — from a Thatcherite model, which to my mind is one-sided. The Social Democratic Party in the Czech Republic can actually be compared with the Labor Party in Great Britain.

Q. In what ways would you seek to modify the reforms?

A. We've got no objection to privatization but rather toward the method of privatization. So-called voucher or coupon privatization has given rise to a kind of absentee ownership.

It means that millions of small shareholders have no voice in the whole procedure. Companies and enterprises are owned by the so-called investment funds. The investment funds are owned mainly by banks. And the banks in the majority of cases are state-owned. And that's called privatization. We would actually suggest another form of privatization for the remaining assets, something that is called management buyout.

We are opposed to privatization only in the areas of medical service, health service and education. And similarly to the British Labor Party, we are against privatizing the rail network.

As far as public spending, we would like to increase our budget not by increasing taxes but by trying to combat tax evasion. Our leading politicians often claim they cannot distinguish between dirty and clean money. But we consider economic crime to be a very gruesome and very scary element in our transition. Our legislation is insufficient particularly in combating crime and conflict of interest. What we lack is a kind of moral law.

Q. What exactly do you mean by economic crime?

A. Unfortunately in privatizing some of our large companies attempts have been made to gain illegal money and to illegally enrich oneself.

Q. I'm curious about your opposition to Thatcherite policies. Most people in the financial community in the West have applauded Vaclav Klaus for his policies. Do you fear scaring away investment? Are there ways to get the growth and the jobs Britain has while maintaining the social protection of the Continent?

A. The theory of laissez-faire has been very fresh at the end of the last century but it's no longer that fresh at the moment. We are a part of the mainstream of the European political mode of thinking, the Continental school. And the public opinion polls in Great Britain clearly indicate that this stream and this direction will be successful in the next election.

We look upon social investment as investing in one of the bedrocks of our future prosperity. This is particularly true for investment in the education system. We hold the view that growing unemployment can be restricted or curbed sufficiently by actively supporting genuine entrepreneurs, who today in our country are under the yoke of the banks, and also by a system of public works.

Q. Are you concerned about German economic influence in the privatization of the Czech Republic and, within the European Union, in designing economic and monetary union?

A. We have very good contacts with the German Social Democratic Party. We do welcome an array of German experience. In our program, we drew on some of the German legislation, for instance the co-decision making of employees in German companies.

I do assume that foreign capital is definitely beneficial for us, on the condition that it's not a speculative type of investment but capital that enables the growth of new technologies and creation of new jobs.

Q. How do you react to suggestions from Bavarian conservatives that the Czech Republic needs to compensate German nationals who fled after the war?

A. We have turned them down.

20 or More Die in Libya Soccer Riot

CAIRO — At least 20 people — and maybe 50 — have been killed in a riot at a soccer match in Tripoli, the capital, during which bodyguards for sons of the Libyan leader, Colonel Muammar Gadhafi, opened fire on spectators who were chanting anti-Gadhafi slogans, diplomats have reported.

Spectators fired back and there was a stampede, one diplomat said, adding that he had received reports that up to 50 people had died at the match Tuesday between two local teams.

He said the bodyguards shot at the shouting spectators. People were killed and wounded in the crossfire and by a stampede out of the stadium.

"This is serious trouble by Tripoli standards," he said.

A Libyan opposition source said he had reports that about 20 people were dead.

Some angry fans ran onto the playing field and stabbed a referee, a diplomat said. Rioters spilled into the streets, stoning cars belonging to foreigners, harassing passers-by and chanting more slogans. At least two car windows were smashed, the diplomats said. The city was quiet the following day.

"I think it is a mixture of football hooliganism and political violence which raised the temperature," a source said. "The violence took a xenophobic turn."

Libya's state-run radio and television reported "riots" at a football match that claimed the lives of a number of people. They did not give any details on casualties but said Sunday was officially declared a day of mourning.

The two Tripoli clubs involved — Al Itihad and Al Ahly — were disbanded, they said.

State media said that — in tribute to the dead — television stations would broadcast only in black and white. All parties in hotels and restaurants were canceled.

Tripoli has been relatively free of violent opposition to Colonel Gadhafi's 27-year-old rule, although northeast Libya has in recent months become a hotbed of Muslim militant activity, with incidents erupting in or around the port of Benghazi.

"There are more and more reports of opposition reaching our ears recently," a diplomat remarked. "There are definitely rumblings."

Last week, travelers arriving in Egypt

reported that at least five people had been killed in Benghazi when the police clashed with Muslim militants.

A few days earlier, the Libyan opposition in exile said that at least 12 people, including a key politician, had been killed in another clash.

The travelers said Colonel Gadhafi has ordered his security officers to shoot on sight when they spotted members of Islamist groups who oppose his government.

Shops belonging to suspected Islamists were burned and others belonging to foreigners closed, they added.

Analysts say six years of United Nations sanctions and what some see as illogical public expenditures have provoked some Libyans into taking up arms against the state and demanding change.

But Libya has blamed Egyptian and Sudanese immigrants for the unrest within its borders, and last year deported hundreds.

The United Nations imposed limited sanctions against Libya for its refusal to hand over two suspects in connection with a bomb that destroyed a Pan American jetliner in 1988, killing all 270 people aboard.

John Chancellor, TV Newsman, Dies

NEW YORK — John Chancellor, 68, who covered 20 political conventions, a dozen space shots and a handful of wars in 41 years at NBC News, died of stomach cancer Friday at his home in Princeton, New Jersey.

A college dropout who left his newspaper reporter's job for broadcasting as the television age was dawning, Mr. Chancellor was an anchor of "NBC Nightly News" from 1970 to 1982.

He appeared first with David Brinkley and Frank McGee, by himself from 1971 to 1976, with Mr. Brinkley again from 1976 to 1979 and alone again until 1982.

It was not apparent from his flat Midwestern intonation, but he said he found presiding over a tightly timed and formatted newscast profoundly disatisfying. In 1982, he became the program's senior commentator, delivering news analyses three times a week until he retired in 1993.

"I had money and I had fame," he said when he gave up the anchor's chair, "but the last thing I wanted was to be a 65-year-old anchorman. So I decided it was time to take control of my life."

Pandora S. Berman, Producer of Films Over Four Decades
LOS ANGELES (AP) — Pandora S. Berman, 91, who during a career that spanned four decades produced such acclaimed films as "Top Hat," "Morning Glory" and "The Blackboard

Jungle," died of congestive heart failure Saturday at his home in Beverly Hills. His films ranged from Astaire-Rogers dance favorites to Katharine Hepburn's Oscar-winning "Morning Glory," and "Of Human Bondage," the 1934 drama that made Bette Davis a star.

In the late 1930s, Mr. Berman made "The Hunchback of Notre Dame," starring Charles Laughton and Maureen O'Hara, and "Gunga Din," with Cary Grant and Douglas Fairbanks Jr. Elizabeth Taylor went from childhood to Oscar-winning actress in Berman films including "National Velvet," "Cat on a Hot Tin Roof," "Butterfield 8" and "Father of the Bride."

Lou Gottlieb, 72, the bass player for the popular 1960s folk trio the Limelighters, died Thursday in a hospital in Sebastopol, California, where he had been taken with internal bleeding. He lived in Sonoma County, California.

Alex Manoogian, 95, the Armenian immigrant responsible for making the single-handed faucet a ubiquitous fixture, died Wednesday in a Detroit hospital. He lived in Grosse Pointe Farms, Michigan. His Masco Corp. made the faucet based on the ball valve joint patented by three inventors, making Mr. Manoogian a fortune, which he dispensed by donating millions of dollars to religious, educational, charitable and cultural institutions and hospitals — many of them serving the Armenian community — in scores of countries around the world.

33 Killed in 2 Sri Lankan Battles
COLOMBO — Separatist rebels killed 13 soldiers in northern Sri Lanka before troops repelled the attack with artillery and small arms fire, the military said Sunday.

The attack followed a government assault Saturday that capped three days of fighting in which at least 20 Tamil rebels died. The fighting took place near the traditional rebel stronghold, the Jaffna Peninsula, the Defense Ministry said. In May, the government announced it had gained control over the entire peninsula.

The newest fighting comes as the army advances along the northeastern seaboard of Sri Lanka, having captured Vakarai, a key town dominated by the Liberation Tigers of Tamil Eelam for many years. More than 42,000 people have been killed in the 13-year conflict.

Vakarai became prominent when the rebels began shifting fighting units to the area following the government offensive on Jaffna. (Reuters, AP)

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Russian Troops Cut Off Chechnya Rebel Areas

The Associated Press

GROZNY, Russia — Government troops have sealed off several villages in southeastern Chechnya, where separatist rebels are believed to be planning new offensives, Russian officials said Sunday.

In Grozny, the capital of Chechnya, two Interior Ministry soldiers were shot and killed in the central market and separatists opened fire on a convoy of special security police, the Interfax news agency said.

Elsewhere, nine Russian soldiers were wounded in 10 rebel attacks overnight, according to Russian news reports.

The fighting coincided with the start of a three-day visit to Russia by Vice President Al Gore, who called for a return to the truce negotiated a month ago when President Boris N. Yeltsin was campaigning for re-election.

The two Interior Ministry soldiers were killed, witnesses said, by "young people" who then grabbed their weapons and ran away.

The elite Russian security troops,

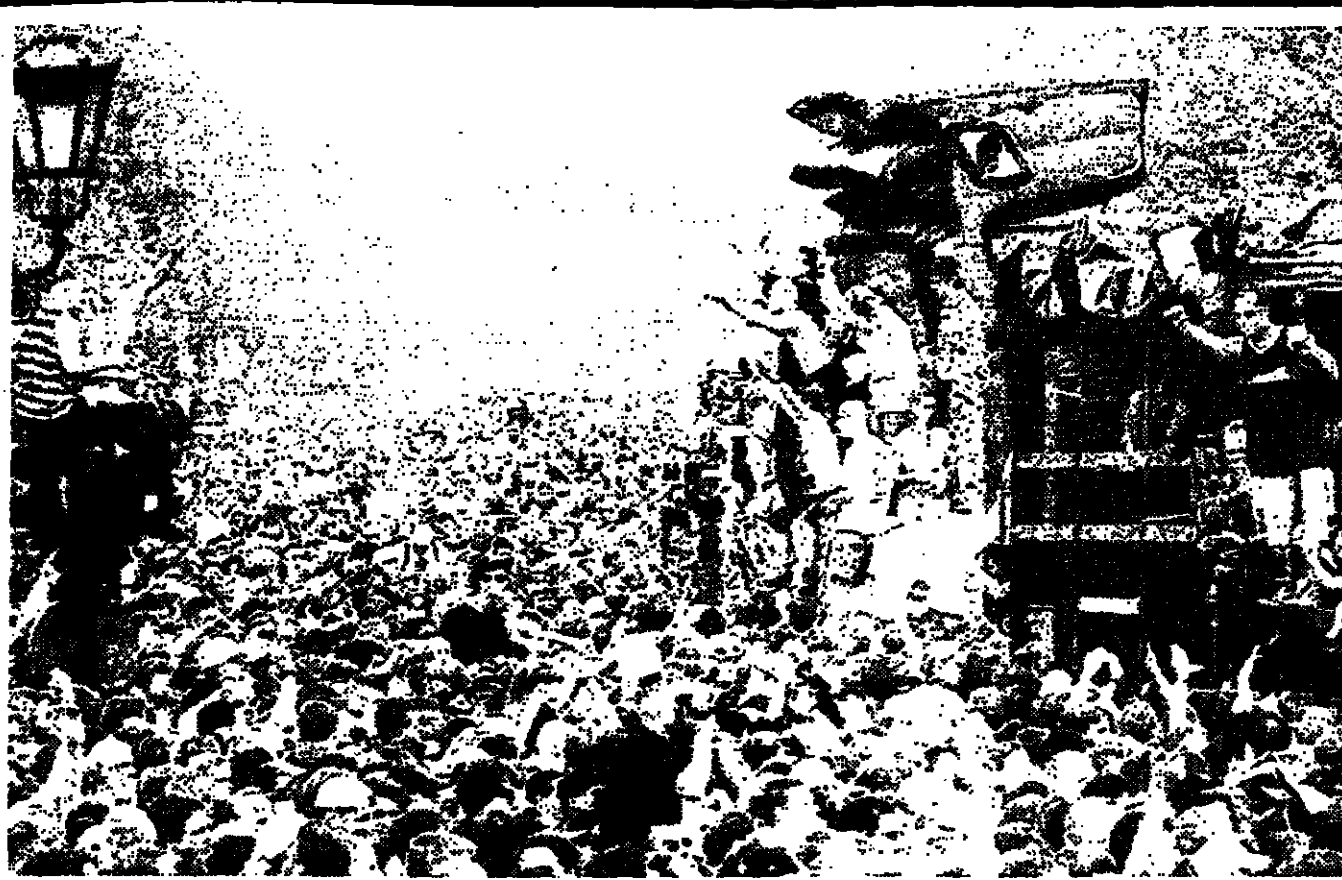
traveling by convoy, were attacked in Grozny on Sunday morning with grenade launchers and automatic weapons. No casualties were reported, Interfax said.

Russian troops have sealed off the southeastern Vedeno region settlements of Tsentoroi, Benoi and Makhkety 60 kilometers (about 35 miles) southeast of Grozny, Interfax reported.

On Saturday, Russian forces withdrew from the village of Gekhi, which they had pounded since Tuesday. Military officials said the assault on Gekhi had left about 14 civilian residents dead and 72 wounded, Russian television reported. Twenty-five more 25 civilians were reportedly killed in Makhkety.

The rebel leader, Zelimkhan Yandarbiyev, accused the Russian authorities of breaking their obligations under the truce he signed in May in the Kremlin with President Yeltsin.

Vice President Gore, who arrived in Moscow on Saturday night for meetings with Prime Minister Viktor S. Chernomyrdin, called for a return to the cease-fire as "the right thing."



750,000 Step Out In Berlin

Reuters

BERLIN — The police on Sunday praised the behavior of the 750,000 people who attended Berlin's eighth annual weekend "Love Parade" festival of techno music and dance, which passed off without serious trouble.

After the parade Saturday, left, one of the largest gatherings in the city's postwar history, the police detained 34 people for offenses such as having drugs and ignoring police orders.

About 1,600 people needed minor first aid treatment, many of them for exhaustion.

"For an event with 750,000 young people, the evening was relatively quiet," a police spokesman said.

Gore to Discuss Reforms With Russian Leadership

Reuters

MOSCOW — Vice President Al Gore said Sunday that in his talks with Russian leaders he would focus on how to promote further reforms following President Boris N. Yeltsin's re-election.

"We will undertake to engage the Russians in what we hope will be a deep and constructive exchange about where we go from here and about how reform can best be given momentum," he said.

Mr. Gore was scheduled to attend a dinner with Prime Minister Viktor S. Chernomyrdin. Then he was due to confer Monday with Mr. Yeltsin, the Russian leader's first meeting with a ranking visitor since he won a second term as president in the July 3 runoff election.

The American vice president's visit has been marked by strict security measures in Moscow after 33 people were wounded in two trolleybus explosions last week.

Troops patrolled Moscow's subway and the rest of the public transport system. Interior Ministry soldiers checked

documents of people they deemed suspicious while others, including young cadets, checked stations and trains on the heavily-used metro network.

Mr. Gore, calling Mr. Yeltsin's defeat of the Communist leader Gennadi A. Zyuganov a "powerful statement" that Russians want reform, said that "it is, in some ways, the beginning of a new phase of the new era of Russian history."

Asked if he intended to discuss the economic impact of generous promises Mr. Yeltsin made to voters during his campaign, Mr. Gore said he did expect to have a "private" conversation about it. "It is oddly reassuring that their problems now are so characteristic of democracies," he said with a smile.

Apart from Russian reform, Mr. Gore is likely to raise issues far less pleasant to Moscow's ears, such as the new fighting in rebel Chechnya and NATO's plans to expand eastward.

The vice president said he intended to use his visit to help pave the way for expanding the 16-member North Atlantic Treaty Organization, something Mr. Yeltsin has objected to in the past.

Communist 'Honeymoon' Is Over, Italian Leader Says

ROME — Prime Minister Romano Prodi said Sunday that his center-left government was secure despite clashes with the Refounded Communist Party, whose support he counts on in Parliament.

"The honeymoon is over," Mr. Prodi told the Rome daily La Repubblica. "It lasted five weeks instead of the usual six months, but that's O.K. It's enough to know that the truce is over and now we have only ourselves to count on."

Mr. Prodi has to rely for a majority in the Chamber of Deputies on the Refounded Communists, whose 35 deputies hold the balance of power in the lower house. They broke with the government last week and voted against its 1997-99 economic targets. The stand-off ended Thursday when the key budget commission backed the targets with hard-left support under a compromise deal hammered out over two days of talks.

Grave Wreckers Released

LILLE, France — Four schoolboys aged 14 to 16 who admitted smashing 112 British war graves at a World War I cemetery in Vieux-Berquin in northern France were released Saturday after a night in police custody, the police said.

The teenagers said they vandalized the grave-stones of soldiers of the East Lancashire and Yorkshire regiments in the Aval Wood cemetery near

Hazebruck last weekend out of boredom and promised to help the local priest repair them.

They denied they had any connection with Satanist groups that have desecrated other cemeteries in France in recent months.

Greece Threatens EU Plan

BRUSSELS — Ambitious plans for a Mediterranean free-trade zone are in jeopardy unless Greece — against expectations — swallows its objections to Turkey's involvement and allows European Union measures to go through.

EU foreign ministers meet Monday to discuss the so-called MEDA agreement, but few diplomats expect a breakthrough in the five-year 3.4 billion European currency unit (\$3.7 billion) plan.

Under budget rules introduced to eliminate EU bureaucracy, this year's part of the funding will be forfeited to other projects unless it is allocated by September. But the European Commission cannot move on the agreement until Greece ratifies the regulation that eventually will allow the financing to go through.

Problems Loom for Kohl

BONN — Problems loomed Sunday for Chancellor Helmut Kohl as opposition politicians and members of his own party threatened to torpedo his drive to cut labor costs and ensure that Germany is fit for a single European currency.

Kurt Beck, the Social Democrat premier of Rhineland-Palatinate state, vowed that his party would block

an austerity package, which it regards as too hard on the poor, in the upper house of Parliament on Friday.

The Social Democrats could force the package, which seeks to cut 50 billion Deutsche marks (\$33 billion) in public spending, onto a winding legislative route that would eventually return it to the lower house, where Mr. Kohl's coalition would normally be able to push it through.

But an East German member of Mr. Kohl's conservative Christian Democratic Union has warned that he and his colleagues will stop the package in the lower house if Mr. Kohl does not withdraw plans to slash job creation programs.

Calendar

European Union events scheduled for Monday:

BRUSSELS: EU foreign ministers meet to discuss differences in European and U.S. interpretations of American law on the Cuban embargo, and lengthening the EU mandate in Mostar, Bosnia-Herzegovina.

STRASBOURG: European Parliament begins its session.

BRUSSELS: Mario Monti, commissioner for internal market, finance and tax, meets with Emilio Gabaglio, secretary-general of the European confederation of unions.

Sources: Agence Europe, AFP

THIS WEEK ON

EUROSPORT



The Centennial Olympic Games begin in Atlanta; who will be the new stars to write their names in Olympic history? The Tour de France reaches Paris; can Miguel Indurain win his sixth Tour?

The Olympic Games : 19 July-4 August, LIVE, The Centennial Games, Atlanta, USA. The greatest athletes in the world gather in America as the biggest sporting event in history gets underway.

Cycling : 15-21 July, LIVE, The Tour de France. After racing for 3,835 km the riders reach Paris and the triumphant finale on the Champs-Élysées.

Motorcycling : 21 July, LIVE, The British Grand Prix, Donington Park, England. Michael Doohan will look to follow up last year's win to extend his lead in the series.

Tennis : 17-21 July, LIVE, The Mercedes Cup, Stuttgart, Germany. Thomas Muster will be trying to win the tournament for the second year in a row.

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INTERNATIONAL

Last Bushmen Resist Pressure by Botswana to Desert Their Kalahari

By Suzanne Daley
New York Times Service

CENTRAL KALAHARI GAME RESERVE, Botswana — The 1,000 Bushmen on this vast reserve are often described as the last Bushmen on earth living their traditional hunter-gatherer life. But this is a romantic view.

In the settlement here called Xade, five hours from the nearest town, there are plenty of signs of Western civilization, from the tin cans that litter the desert floor to the plastic milk crates that are used as chairs and the prefabricated schoolrooms brought in on trailer beds.

There are goats and chickens and donkeys kept in pens. And no one is to be seen wearing the leather aprons or intricate beadwork made famous by the movie "The Gods Must Be Crazy."

Instead, the Bushmen here look — despite their distinctive yellow skin and Asian features — like most of Africa's desperately poor. They wear ragged used clothing and live in twig huts,

every nook and cranny stuffed with bits of dung, plastic or anything else that might keep out the wind and driving sand.

The Bushmen have lived for decades as southern Africa's underclass — despised as an inferior race by both whites and blacks, once hunted as cattle-killing vermin, now disdained and brutalized.

But here, they are putting up a fight. The Botswana government wants them out of the reserve, saying their cattle raising and hunting game with guns cannot be tolerated in a national park.

In addition, they say it is time for the Bushmen to leave the desert, learn to read, earn a living and in other ways at last join the 20th century.

"How can you have a Stone Age creature continue to exist in the age of computers?" said Festus G. Mogae, Botswana's vice president. "If the Bushmen want to survive, they must change or otherwise, like the dodo, they will perish." The Kalahari Bushmen say they will

not go, and insist that the land should be recognized as theirs. "The government is placing more importance on the animals than on us," said Gabodilwe Matsoma, who says he is about 50 years old and has lived at Xade for more than 10 years, since drought and hunger drove him here from even more remote parts of the desert.

"We should be respected more. We are not treated well because they have a more advanced way of life than ours."

The government has wanted the Bushmen out of the park for years, but it has done very little about it.

In fact, it has spent millions each year on support services, like emergency food, a primary school and a part-time health clinic in Xade. But recently the government began putting pressure on the Bushmen to leave. A meeting between a land minister and the Bushmen in February left many Bushmen believing that if they did not go on their own, they would be removed. The government says no one was threatened with forced removal. The dispute has

attracted international attention, with ambassadors from the United States, Sweden, Norway and Britain converging on Xade last month to see for themselves what was going on.

It has also put the spotlight on the plight of groups of Bushmen in Botswana, Namibia and South Africa, some of them among the most down-trodden people in Africa, living as virtual slaves on cattle farms or in squalid "resettlement camps."

Neither the Kalahari Bushmen nor their defenders can agree on what to do for them, any more than they can on a name. Some consider Bushmen derogatory, although it is still the most widely used name. Some do not. Some prefer San people, others Basarwa and others Khwe. Still others say "the red people."

Some talk about dividing the game reserve and giving the Bushmen one part. Others believe the Bushmen should be allowed to stay, but be integrated into a tourist industry that could be developed for the park. The Bushmen could have jobs as trackers or teach about plant life.

The challenge, most everyone says, is to preserve the dignity and culture of a people while helping them survive in modern society.

"The Basarwa do want to participate in development," said Alice Mogwe, who heads Ditshwanelo, the Botswana Center for Human Rights, a private nonprofit agency.

"The question is how to make that accessible in a way that does not destroy them."

What is clear is that few Bushmen would jump at the chance to go back to wearing loincloths, making poisoned arrows and tracking antelopes across the desert while carrying ostrich eggs full of water squeezed from underground tubers.

The Kalahari was never a paradise, and recent droughts and efforts to fence parts of the country for cattle ranching have caused drastic depletion in the game that used to roam there.

"They are not demanding traditional rights," said Mr. Mogae. "They are demanding modern citizenship rights. As long as they are in the park, they cannot have those rights."

Attacks on Foreigners Raise Bosnia Tensions

By Mike O'Connor
New York Times Service

VLAZENICA, Bosnia-Herzegovina — Two attacks on foreigners, including the shooting of an American working for the U.S. Embassy, have heightened tensions in Bosnia and may increase concerns that any attempt by NATO forces to arrest Bosnian Serb leaders for war crimes could result in retaliation against foreigners.

The American, a woman whose name was not released, was shot in the back late Friday night while she and her husband were driving between Kiseljak and Sarajevo. She was reported in stable condition after undergoing surgery at a NATO military hospital.

American Embassy officials said that the circumstances surrounding the shooting were not clear and that it was possible the assailant did not know the victim's nationality.

But the second attack, two hours later, was clearly directed against foreigners. An explosive charge was set off under a truck parked in front of the office of UN police monitors in this Bosnian Serb-controlled town in northeastern Bosnia.

The explosion demolished the truck and damaged the building, which also contained the living quarters of three monitors — one Senegalese and two Nepalese. Two of the monitors were slightly wounded.

One monitor said the attack was clearly an attempt by "local extremists" to intimidate them. "They want to scare us, to terrorize us," he said.

The headquarters of the Bosnian Serb military commander, General Ratko Mladic, is about six miles away. He and the Bosnian Serb political leader, Radovan Karadzic, have been indicted on war crimes charges, and on Thursday the international war crimes tribunal in The Hague issued arrest warrants for them.

The warrants, along with increasingly strong statements by foreign diplomats in Bosnia that the two men must be removed from power if free elections set for September are to be held, have heightened concerns among senior officers in the NATO-led peacekeeping force about retaliatory attacks on their soldiers or on other foreigners.

One officer said Saturday that there was already a strong feeling among his colleagues that the consequences of having North Atlantic Treaty Organization

forces arrest the two men could be so severe that the arrests would jeopardize the peace rather than strengthen it.

American military officers have predicted that Bosnia Serb forces might begin testing NATO's resolve with small incidents.

American military officers said they could see no specific connection between the incidents.

The shooting of the American woman took place in an area under Muslim and Croatian control.

The UN monitors' station is near where investigators from the war crimes tribunal are exhuming the bodies of Muslim men thought to have been massacred by Serbs after they seized the town of Srebrenica one year ago.

Serbian officials say that there were no mass murders of Muslim men from Srebrenica and that UN efforts to prove there were are part of an international conspiracy directed against the Serbian people.



International forensic experts collecting human remains Sunday at a mass grave site in Cerska, Bosnia.

Women in South Korea: Separate, Not Yet Equal

By Nicholas D. Kristof
New York Times Service

SEOUL — The greatest advance for women in South Korea so far this year came about because a 14-year-old girl named Juhee did not study hard enough for her exams.

So she failed. She scored 136 points on the high school entrance examination, two points below what she needed. She seemed destined for a vocational school, denied the chance ever to go to college and become a computer programmer.

But then Juhee and her family learned that boys needed only 117 points to get into academic high schools. She was one of 12,000 girls who had been denied a place in a regular high school even though boys with lower scores had been admitted.

"The position of women in Korea is very far behind men," declared Juhee's mother, Kim Young Ok, as she sat on the floor of her shop selling quilted blankets.

"I see so many qualified women whose abilities are unused, while there are lots of men who are totally incapable of doing anything more than staying at

home and looking after babies."

So Mrs. Kim helped lead a series of protests that prompted President Kim Young Sam to intervene this spring. He ordered the high schools to accept all the girls who would have been admitted if they had been boys, and from now on there is supposed to be no discrimination in admissions.

In the past, the quota for boys entering high school had been 30 percent higher than for girls. That led to the higher exam cutoff for girls, but with the same criteria applying for both sexes roughly equal numbers of boys and girls are now expected to enter high school.

While that inequality has been remedied, South Korea remains overwhelmingly a man's world. Aside from Islamic countries, it has fewer female politicians, businessmen and prominent figures than almost any other nation in the world. Only 1.9 percent of civil servants are women.

Yet schoolgirls themselves seem mostly nonchalant about the barriers they face, and some who were admitted under the old rules say it was a mistake to rescue the girls who had initially been rejected by high schools.

"Those girls who got lower scores, they're the ones who didn't study," Shin Mi Jung, a 15-year-old high school student, said wistfully as she sipped a lemonade near her school.

Her friend, Yoon Tae Eun, a 14-year-old in her sailor-style school uniform, added with a hint of scorn: "Some of those girls are so bad! They're ruining the environment at school."

The school year in South Korea begins in April, and Miss Yoon said that in her group of first-year high-school students there were 57 girls to a class. The classes are squeezed because they needed to incorporate the girls who at first had failed.

There are only 46 boys to a class, but as in most South Korean schools, boys and girls study in separate classrooms and sometimes in separate wings of the school. Asked whether the school administrators should have taken some classrooms from boys and given them to girls, Miss Yoon shrugged and said doubtfully that this probably would not work.

"I think we have equal opportunities now," Miss Yoon said. "After all, if a teacher makes a sexist comment —

something about 'You girls can't do that' — then we'll all scream out."

Some girls and teachers say that parents often treat children differently. They say that mothers and fathers alike are often more strict with their daughters, and more inclined to ask daughters to help with housework, while more likely to insist that a son do well in school.

"My Mom treats my brother better, and I think she has higher expectations for him," said Eun Seung Jung, a 15-year-old high school student. "And my Dad jokingly says things like I should just get married off. Of course, I always argue back."

South Korean schools are like Japanese schools only more so: they are very successful at teaching young people skills such as reading and mathematics, but they are also pressure cookers in which young people work extremely hard memorizing facts.

High-school girls do not face discrimination when entering university, but they face enormous obstacles if they pursue careers afterward. Still, most Koreans say that the situation is slowly improving.

Saudis Find Getaway Car From Bombing

The Associated Press

RIYADH — Saudi authorities have found what they believe is the getaway car used by the bombers who killed 19 American servicemen in Dhahran last month, official sources said Sunday.

The sources, speaking on condition of anonymity, said the car, a white Chevrolet Caprice Classic sedan, was found in Dammam, 10 kilometers from Dhahran.

Following the June 25 explosion, Saudi officials said men thought to be the bombers had been seen fleeing in a white, mid-1980s Caprice Classic — the most popular car model in the kingdom.

Gulf newspapers reported at the time that witnesses had given Saudi investigators a "good description" of two of the suspected bombers. But so far no arrests have been reported.

Discovery of the possible getaway car coincided with a report from Washington Sunday that the Saudi authorities were hampering the FBI investigation of the fatal Dhahran truck bombing.

According to an American law enforcement official, who asked that he not be identified, FBI agents sent to Saudi Arabia right after the explosion have been restricted to interviewing American airmen and sifting the debris at a U.S. military complex; they have been denied access to evidence collected by Saudi officials.

The FBI director, Louis J. Freeh, was in Saudi Arabia pressing Saudi officials to make available to his agents all evidence gathered in the case, U.S. sources said. It was Mr. Freeh's second visit in less than 10 days.

Mr. Freeh's new effort to resolve U.S.-Saudi differences came as the U.S. law enforcement official detailed some of the restrictions that have been placed on the more than 70 FBI agents sent to the kingdom.

"We haven't been allowed to talk to people in the community," the official said.

"We've been restricted to the U.S. post and interviewing the U.S. airmen. They basically all say they were asleep, heard the explosion and saw no one."

The FBI wants to conduct a full investigation, including having access to Saudi witnesses and anyone detained by the Saudis for questioning in the attack, the official said.

JORDAN: Clinton Turns Often to His Unofficial Best Buddy and Power Broker

Continued from Page 1

porate America. Perhaps more so than any other lawyer in the nation, Mr. Jordan helps businesses interpret Washington through his position as a senior executive partner at one of the capital's most influential law and lobbying firms and his connection to Mr. Clinton.

The range of his success and influence demonstrates the sometimes competing interests he serves: the president, with whom he talks frequently; the corporations for whom he works, and whose fortunes can often be affected by the president's decisions; the hundreds of lawyers and lobbyists he oversees at the law firm Akin Gump Strauss Hauer & Feld, which was founded by one of Washington's legendary insiders, Robert S. Strauss, and the cause of

racial justice, which he began his career by championing.

Mr. Jordan said recently that his priority was "trying to be a good lawyer at Akin Gump and extend Akin Gump's franchise as far as possible." But some have asked whether his influence in Washington is sufficiently open to public view and whether he has neglected the cause of racial equality.

Mr. Jordan has heard such questions before. "I, and only I, am the keeper of my conscience," he said.

"Throughout my career and my professional life," he continued, "I have been able to go to sleep at night confident that whatever negotiations I did that day I have been able to do the right thing. That's been my guide even when people didn't understand it."

During six hours of interviews, Mr.

Jordan, 60, spoke about much of his life. But while he spoke about his long-standing friendship with President Clinton, he revealed little about their conversations.

"Vernon knows a lot of stuff about the president and his personal life, but he'll never trade on it," said Dee Dee Myers, the former White House press secretary. "Vernon understands how power works better than anybody I know. He talks to the president about everything. I think, but it would diminish his power if he talks about it. He protects the president, his friend."

An important part in this presidential friendship is a joking, racy intimacy and locker room camaraderie these two men clearly enjoy.

"He is as close to the president as anyone I know since Bobby Kennedy was so close to his brother," said William T. Coleman Jr., a Washing-

ton lawyer and friend of Mr. Jordan's who served as transportation secretary under President Gerald R. Ford.

Mr. Jordan said the president sought his counsel — but did not always agree with him — on issues like trade, the budget, affirmative action and product-liability legislation, as well as sensitive cabinet personnel moves.

Mr. Jordan said he never discussed "my clients or my business," with Mr. Clinton or the dozens of other top administration officials he often counsels. The president confirmed that.

Mr. Clinton, in response to questions submitted by a reporter, said that he and Mr. Jordan debate issues "all the time" and that he greatly valued Mr. Jordan's frank judgments, but that "any interest he might have in the matter doesn't enter into the advice he gives me."

Mr. Jordan added that his law firm said "no thank you" to clients seeking to exploit his access for a fix with the administration.

Akin Gump, based in Dallas, has an extensive lobbying operation in Washington. It has more lawyers in the capital, almost 250, than any other firm not based here. Eighty percent of its revenue comes from the country's largest corporations, which have a broad interest in some of the very issues Mr. Jordan discusses with the president, especially trade agreements.

Federal law requires lobbyists to report the work they do for their clients. But even though Mr. Jordan talks constantly to the president and many top members of the administration, he does so as a friend and adviser. So he does not lobby in the legal sense.

Under a bill to be voted on Tuesday by a House subcommittee, informal White House advisers could be subject to conflict-of-interest laws and financial disclosure requirements, but it is not clear whether this would apply to Mr. Jordan.

CHIRAC: Interest Rates in France Too High, President Says

Continued from Page 1

France, he suggested repeatedly, was "paralyzing itself" with a mixture of pessimism and resistance to change.

Business leaders and Mr. Chirac's own aides said that his comments were unlikely to have immediate impact on economic policy.

Mr. Chirac himself is committed to keeping France and the franc in step with Germany and the Deutsche mark.

Over the last six months, the Banque de France, the French central bank, has steadily shaved interest rates as German levels have eased. Now, inflationary fears are absent in both countries.

But Mr. Chirac's economic frustrations also spilled onto French commercial banks, whom he has attacked in the past for timid lending policies.

On Sunday he criticized them for failing to make capital available readily enough for entrepreneurs, especially business start-ups and small companies that many economists see as the best source of employment growth.

Similarly, Mr. Chirac said, France's often cumbersome government bureaucracy needed to act more audaciously in trying to find new approaches to modernizing the country's administrative machinery, manage the state-controlled part of the economy more efficiently and curb government deficits.

Cutting spending, he said, would make it possible next year to start cutting taxes, which he raised this year. Mr. Chirac has pledged tax relief before, but has still not provided any details.

It was a measure of the country's economic impasse that Mr. Chirac

barely touched on international affairs, even though he is credited with a strong diplomatic performance over the last 12 months, including successful efforts to enhance France's stature in Asia and with its main Western allies, notably the United States.

But in contrast to Mr. Chirac's emphasis in his statements last year on Bastille Day, when his pledge to use force in Bosnia helped start the process that culminated in a peace accord there, this year he focused entirely on domestic problems that have dragged down his popularity.

The sole international notes Sunday were the appearance of British troops, France's main European ally in Bosnia, in the military parade and the presence of Nelson Mandela, the South African leader, at the ceremonies.

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THE WORLD'S DAILY NEWSPAPER

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Anti-Castro Excess

The mischievous Helms-Burton law pits the Clinton administration against Canada, Europe, Latin America and even small children. The law is meant to punish Cuba's Castro regime. It allows lawsuits and travel curbs against foreign companies and their officers who allegedly "trafficked" in American property seized by Cuba years ago. But the law has a boomerang effect, striking America's friends. The president has until this Monday evening to waive enforcement for the next six months of some of its most dubious provisions. He would be wise to do so.

Under the law, even children will be barred entry into the United States if their families "trafficked" in American property confiscated by Cuba in 1959. How far, one wonders, does guilt by kinship extend?

Just as vague is a provision that permits American citizens to bring suit against foreigners who "act to manage, lease, possess, use or hold an interest in" property formerly owned in Cuba by American citizens, including Cubans who have been naturalized. The bill especially affects Canada, Mexico, Italy and Argentina, some of whose citizens operate or have interests in businesses in Cuba once owned by Americans.

Such lawsuits would enrich lawyers and make no friends abroad. By the same logic, Canada might allow its citizens to take legal action against Americans who manage, lease or possess the abundant property seized dur-

ing the 18th century from British loyalists, many of whom fled to Canada. The United States has long opposed boycotts by Arab nations to punish American companies that do business with Israel. Is it now Washington's position that Arab states must ignore what America does in Cuba? Canada talks of striking back by urging its citizens to boycott Florida, where about 2 million Canadians spend \$1.3 billion every winter. By what logic could Florida object?

In the case of Communist China, the administration rationally argues that freer markets can promote a freer political system. But in Communist Cuba it favors unilateral measures that punish an entire people, alienate old friends and discourage privatization. This inconsistency angers chiefly to the clout of hard-line Cuban-Americans in Florida and their allies in Washington, notably Senator Jesse Helms and Representative Dan Burton.

When Congress whooped through the Helms-Burton law, Mr. Clinton was urged by senior advisers to use his veto. He signed, he said, to strike back at the Castro regime for shooting down two civilian planes. But this is an election year, and the gesture now seems a gratuitous concession to Florida's Cuban-American hard-liners. The president can demonstrate otherwise by using the bill's waiver provisions to suspend the opening of American courts to endless and contentious lawsuits.

—THE NEW YORK TIMES.

Does Netanyahu Hear?

Benjamin Netanyahu made good use of his personal charm, political savvy and mastery of the American vernacular during his five-day visit to Washington and New York. But Israel's newly elected prime minister disappointed those who expected him to use this visit to signal more moderate and pragmatic foreign policy directions now that he bears the responsibilities of government.

It is one thing for Mr. Netanyahu to keep faith with his campaign promises of no Palestinian state, no division of Jerusalem and no return of the Golan Heights to Syria. But his remarks last week seemed to cast doubt on his previous assurances that he would honor agreements that Israel has already entered into, in particular the overdue withdrawal of most Israeli troops from the West Bank city of Hebron. He also diminished hopes for an early lifting of the five-month-old economic blockade of Palestinian communities in the West Bank and Gaza Strip.

American support for Israel is firm. America must also respect the outcome of Israel's democratic elections. But the United States, as the principal international sponsor of Israel's peace agreements with Egypt, Jordan and the Palestine Liberation Organization, should press Mr. Netanyahu to resolve these doubts in the weeks ahead.

President Bill Clinton tried, politely, to register concern on Hebron and the blockade, and on the question of planting new Jewish settlements in the West Bank. But with a U.S. presidential campaign approaching, he clearly sought to minimize any appearance of public disagreement. Mr. Netanyahu would make a mistake if he took his warm public reception from the president, from a joint session of Congress and from American Jewish leaders as approval for the confrontational approach toward the Palestinians advocated by some of

the extremist members of his cabinet. Mr. Netanyahu suggested that Israel did not have to deliver on its promises for now because the Palestinians were also showing bad faith by failing to stamp out terrorism and by maintaining quasi-diplomatic offices in Jerusalem. It is reasonable for him to pressure the Palestinians on both of these points, but not by withholding what Israel has already agreed to. That will only discredit the idea of negotiations and elevate the minority of Palestinians still preaching violence.

Meanwhile, the tight blockade that the previous Israeli government imposed on Palestinian communities after the February terror bombings is causing great suffering while serving no evident security purpose. Mr. Netanyahu says he wants open economic borders between Israelis and Palestinians, but he defers lifting the blockade.

The prime minister was also disturbingly vague on the issue of new Jewish settlements. He pointed out that the Labor government in power for the past four years had allowed the total settlement population to expand by 50 percent and suggested that he could be expected to do no less. But he left the impression that he intended to step up the pace of expansion and plant new settlements in populated Arab areas of the West Bank.

Mr. Netanyahu ran on a platform of peace with security and has the right to take a harder line in future negotiations. But he is obliged to fulfill existing agreements in good faith and would be unwise to needlessly antagonize the Palestinian population over essentially nonpolitical issues of daily life like the blockade of West Bank and Gaza communities. If he missed that understated aspect of Mr. Clinton's message, Washington may have to speak emphatically at a later date.

—THE NEW YORK TIMES.

Other Comment

The UN or NATO for Ulster

The huge beast of Protestant power rises from the swamp once again and bellows at those who thought it might have grown tame or even become extinct. It is a frightening moment, and a very bitter one. In Britain, it seems as if everything so painfully constructed over the last few years is being washed away as the monster shakes its flanks.

What will remain of the hope for mutual respect between "two cultural traditions," the security of Catholic households in Protestant areas, the suggestion that the Royal Ulster Constabulary is more than the majority's uniformed militia, the fostering of a younger Protestant consciousness which has forgotten how to hate, the remnants of the cease-fire, the peace process itself?

Most people, I think, still believe

that Ulster Protestants have a right not to be forced into a united Ireland against their will. But the argument that Britain has the exclusive duty to defend that right grows weaker every year.

Sadly, foreign soldiers are still needed — not just to contain the IRA, but to protect Catholics against Protestant aggression. But the question which will not go away is why those soldiers have to be British. The "peace process" seems hopeless now. Peace itself, after some fashion, will stumble back to Northern Ireland, knocking on one door after another until somebody dares to let it in. But I do not think it will be secure until there are new uniforms on the street. That can mean the United Nations or NATO, but both mean the Americans. It is the last resort, but perhaps the only hope.

Neal Ascherson, writing in the Independent on Sunday (London).

MOSCOW — It may be time to revive the hot line between the United States and Russia. Seriously.

During the Cold War, America always knew what Russia's basic intentions were and how to deal with them. But as Russia becomes more like America — democratic and inward-looking, with real political parties, interest groups, lobbies and a free press all tugging at decision makers — it becomes harder for Washington to predict or control Russian behavior.

Alexei Arbatov, deputy head of the Defense Committee in the Russian Parliament, quipped to me that if Nikita Khrushchev were alive today and deployed nuclear missiles to Cuba, as he did in 1962, he would have to fire them at the United States rather than withdraw them, "because Russian public opinion, the Parliament and the free press today would never have allowed him to back down, declare the whole thing a victory and then just walk away without anyone saying a word of criticism."

A contemporary example of where Washington and Moscow could badly miscalculate is the issue of NATO expansion into Eastern Europe, which the Clinton team seems convinced it can

By Thomas L. Friedman

crum down the throats of a few top Russian officials and have the whole country buy it.

As a popular issue, NATO expansion was scarcely mentioned in the Russian election campaign. But as an elite issue it is important, and the elites here can make it a popular issue.

And the Russian elites hate NATO expansion. As Mr. Arbatov put it: "Had the Communists won the election, people here would have expected NATO expansion. But now that Yeltsin has won, under the banner of democracy, the idea that the West would respond by expanding NATO to isolate Russia would be received here as a sign of some generic mistrust of Russia."

And that's a Russian liberal speaking. Communists and nationalists are even more stridently opposed to NATO's expanding against Russia's will.

If it happened, says Mr. Arbatov, Moscow would surely press the former Soviet republics of Ukraine, Moldova and Belarus to join some sort of Russian-led mini-Warsaw pact, and the Russian Parliament would surely reject

the START-2 nuclear arms reduction treaty with the United States.

"There is a popular consensus in Russia against NATO expansion, not just because it is a threat but because nobody likes to be excluded," said Sergei Rogov, director of the U.S.-Canada Institute in Moscow. "Russia has not been invited to join either NATO or APEC or the Euro-Asia summit. So Russia becomes a country in isolation. That is not natural for any big power. Russia will look for other partners in Asia — China, Iran."

Advocates of NATO expansion argue that there is a power vacuum in Eastern Europe and the West should fill it now while Russia is weak. Wrong. The relevant power vacuum is not in Eastern Europe. It is in Russia — all of Russia. Russia's dilapidated army cannot even defeat Chechnya. (Imagine a U.S. Army unable to prevent Rhode Island from seceding.)

More important, the whole trend of Russian politics today is decentralization. Power is being devolved by Moscow to local mayors and provincial governors because Moscow doesn't have the money to support them. Roughly 20 of the 89 provinces of

Russia now have power-sharing treaties with Moscow, allowing them to keep much of their tax revenue and making them each small, but autonomous, alternative power centers.

This means that the Kremlin's ability to mobilize resources to rebuild the Russian army diminishes with each day. Russia's future belongs to its Mayors or Daleys. Boris Yeltsin has never been more popular and less strong.

For 40 years America has focused, rightly, on managing Russia's strength, but the real challenge today is managing Russia's weakness. Instead of trying to fill a fake power vacuum on Russia's borders, which only encourages a humiliated Moscow to try to re-centralize power and use all its limited resources to obstruct U.S. interests — America should nurture the real power vacuum developing inside Russia.

It should flatter Russia, bring it into every world forum possible, tell it that it's doing just fine, and encourage Mr. Yeltsin to continue his reforms, which are naturally devolving power away from the Kremlin and making Russia a much less dangerous entity than NATO expansion ever could.

The New York Times.

The Sooner Turkey Enters the European Union the Better

By Amir Taheri

LONDON — EU foreign ministers meet in Brussels this Monday to decide on steps to bring Turkey closer to the European Union. The meeting, a week after the new Turkish government began work, deserves more than casual interest.

Even at the risk of sabotaging the free trade accords between the Union and 12 Mediterranean countries, some participants want to delay ratification, ostensibly to put the Turkish coalition, headed by "Islamist" Prime Minister Necmettin Erbakan, on probation. Delay could play into the hands of those who do not wish Turkey ever to join the Union.

Turkey's proper place is in a pluralist Europe. The sooner it joins the European Union, the better for both.

The presence of the Welfare Party as senior partner in the coalition is seen by some commentators as a fundamentalist foot in the door of power in Ankara. There is another way of looking at this remarkable development. Is it not Turkey's secular political system that is bringing the "Islamist" constituency, almost a quarter of the electorate, into the fold?

Fundamentalist commentators in the Muslim world had advised Mr. Erbakan not to accept a coalition. By ignoring them, he has not only isolated the "partisans of Allah" in Turkey but dealt a blow to fundamentalist positions all over the Muslim world. The message is that democracy is a large enough tent to accommodate all who respect its rules.

Mr. Erbakan should be judged by deeds rather than by selective quotations.

His first move was to repeal a prison legislation that evoked "Midnight Express" images of incarceration in Turkey. His second was to visit areas where ethnic Kurds form a majority. He went beyond symbolism and canceled edicts that have driven tens of thousands of Kurdish peasants out of their villages. Breaking another taboo, he al-

lowed a local television station to broadcast in Kurdish.

That the military has remained in its barracks is a sign of Turkish democracy's maturity. The assumption that tanks will roll into the heart of Ankara as soon as Parliament produces a government that has become history.

Turkey began to open to Western political ideas last century with the *Tanzimat* reforms. It began building its democracy in 1923. With deviations represented by three military coups d'état, it has since had governments accountable to reasonably freely elected parliaments. Half a dozen parties, representing a richly diverse political spectrum, have shared in the government.

Turkey was a pluralist democracy, albeit an imperfect one, when Portugal, Spain and Greece, all members of the European Union today, were ruled by dictators. (Not to mention that Turkey from the 1920s to the 1940s was certainly closer to the democratic model than were Germany and Italy under Hitler and Mussolini.)

In the past decade Turkish democracy has made further progress. The tradition of having a retired general as head of state ended when Turgut Ozal became president. His successor, Suleyman Demirel was long a *bête noire* of the generals.

Today Turkey has a robust multiparty system, and a press that is one of the freest, although

not always the most professional, in Europe. It has moved away from the economic statism established by Ataturk, founder of the republic. A dynamic private sector serves as the engine of growth, with thousands of small and medium-sized businesses started each year.

A customs union with the European Union came into effect in January and will further liberalize the economy.

Turkey is one of the very few Muslim countries where a substantial segment of society has had a direct experience of life in Western democracies. Since the late 1940s, millions of Turks have lived, studied and worked in the West, among them Mr. Erbakan and almost all the members of his cabinet. Thanks to that experience, Turkish

democracy, introduced from above, has a strong popular base beyond urban elites.

Turkey still has much to do. The Kurdish issue must be tackled with humane and realistic policies. Outdated laws and economic practices should be abandoned. The place of religion in society needs to be better defined.

A more sympathetic attitude from the European Union could encourage such steps. The Union's predecessor, the European Community, helped democratization in Spain, Portugal and Greece. The Union could do the same for Turkey.

The writer, an Iranian journalist and writer abroad, contributed this comment to the International Herald Tribune.

Truth vs. Fiction About the U.S.-Japan Alliance

By Ralph A. Coesa

HONOLULU — When Anthony Lake, the U.S. national security adviser, meets Yukihiro Ikeda, Japan's foreign minister, for talks in Tokyo this Monday, the future of the U.S.-Japanese alliance will be high on their agenda.

The Tokyo summit in April between President Bill Clinton and Prime Minister Ryutaro Hashimoto, and especially the joint declaration they signed, helped to destroy some lingering myths about the security relationship. The challenge now is to prevent new myths from taking their place.

One of the old myths was that American forces were in Japan primarily to protect Japanese interests. As Mr. Clinton stressed during his visit, the primary reason America has forces in Japan, as well as in South Korea, is to preserve and protect vital American security interests in Asia and the Pacific.

True, their presence supports Japanese interests. If this were not so, the Japanese government would not be such a willing

host. But it was U.S. national interests that brought U.S. forces to Asia in the first place, and it is America's continued stake in regional peace and stability that keeps them there.

Another old myth was that Japan is getting a free ride. As Masahide Ota, Okinawa's governor, reminds us almost daily, Japan pays a price for this continued U.S. presence well beyond the \$5 billion in annual host nation support that Tokyo pays. There are also bases, port facilities, training areas and other pieces of valuable real estate that are made available to the U.S. military — plus the inconvenience, noise and occasional danger from living in close proximity to operational bases and training areas.

In return, of course, Japan receives security guarantees that underwrite its political stability and economic prosperity.

What we have today is a cooperative division of labor that serves both sides' interests.

This type of complementary military relationship could serve as a model for future alliance relationships in an era of budget constraints.

The challenge now is to build on the momentum provided by the April summit to begin reshaping and revitalizing the alliance so as to ensure its survival into the next century.

It is important to note that the joint declaration and the supplementary agreements do not commit Japan to any specific action in the event of hostilities. For Japan, however, just talking about contingencies is a major step, and long overdue.

For one, would not call for direct Japanese military participation in any U.S. combat action, beyond surveillance and defense of U.S. bases and facilities in Japan. Others may disagree. The important thing is to begin to define these roles and develop procedures for overcoming the obstacles to performing them.

The April declaration was warmly received in most of the Asia-Pacific region as a reaffirmation of the strength of the alliance, but some security specialists have incorrectly expressed concern that the alliance is being redefined in a way that would give Japan too active a security role. One South Korean security analyst went so far as to assert that the United States may have "deputized" part of its role as policeman in the region to Japan.

Such Korean concerns about the joint declaration seem particularly ironic since one of its primary objectives, at least in the eyes of U.S. military planners, was to improve America's abil-

ity to defend South Korea with appropriate, but limited, Japanese support. *Remilitarization of Japan or a Japanese offensive military role are the farthest things from U.S.-Japan defense planners' minds.*

Even as the United States encourages Japan to play a more active role in regional security affairs, it must take into account regional anxieties lest it end up with a less stable security environment than it started with.

Washington must do a better job of explaining what "revitalizing" the U.S.-Japanese alliance means. This is important because a new myth in the making is that the joint declaration signals a shift away from the defense of Japan toward the containment of China, and that the alliance is now focused against China. This despite the fact that the declaration stressed the need for "close cooperation" with China.

The U.S.-Japanese alliance is not anti-China but pro-peace. It will not take on an anti-China slant unless China presents a clear and present threat to regional stability.

The day may come when the United States and Japan, in cooperation with other Asia-Pacific friends and allies, are forced to conclude that China is determined to pursue a collision course with the rest of Asia and must be contained. But that day has not arrived. The goal should be to prevent it from occurring.

The writer is executive director of Pacific Forum/CSIS in Honolulu, a research institute affiliated with the Center for Strategic and International Studies in Washington. He contributed this comment to the International Herald Tribune.

Jobs Are Better Than Handouts

By William Raspberry

WASHINGTON — There are at least a couple of ways to teach non-swimmers to swim. You can buoy them up on inflatable dummies and hope it will make them feel secure enough to try swimming on their own. (Meanwhile, you can shout instructions and encouragement.) A good number of people have learned to swim that way. Many others are still clinging to the dummies months and years later, unable or unwilling to let go.

Or you can show them what swimming is basically about and then throw them into the water. Some people learn to swim that way, too. Others have to be rescued, and a few, no doubt, drown.

Wisconsin has tried to combine the best of the two approaches — not to teach swimming, of course, but as an attempt at welfare reform.

"Wisconsin Works" — or "W-2," as Governor Tommy Thompson calls his controversial new program — tries to solve the problem of how to get people off welfare by the radical expedient of never putting them on in the first place. People who apply for financial assistance are required to work in exchange for their benefits. They get private sector work if it is available, public sector work if it isn't, and training where it is needed.

The plan avoids some of the frustrations of earlier efforts at reform. For instance, it avoids the work-or-training loophole

that has had some welfare recipients in near-permanent training classes without ever graduating to a job.

Wisconsin will pay for training, and also subsidize child care and other costs, but not instead of work. (You get a little flotation help, but you have to kick and paddle for yourself.) And the public sector jobs that the state provides as a last resort pay less than their private sector counterparts, the idea being to avoid transforming public work into the equivalent of permanent water wages.

Wisconsin also avoids one of the traps of Bill Clinton's two-year-and-out proposal — a proposal I might have found sensible if I hadn't remembered a housing program that the District of Columbia tried some 30 years ago.

The city, which at the time had a waiting list of thousands of families for public housing, came up with the idea of emergency temporary shelter for families in particularly dire straits — victims of fires or evictions, for instance. But the small building bought for the purpose (eight or 10 units, as I recall) quickly filled up. And when officials moved to enforce the time limit, they became the bad guys tossing poor and helpless families into the street. The experiment was quietly buried.

I saw Mr. Clinton's two-year-and-out as similarly flawed, inexorably leading to the time when the government would be the creator of the problem it had tried to avoid — like yanking the inflatable raft from under a person who hadn't yet learned to swim. Maybe he has come to see it that way, too. He has endorsed the Wisconsin approach.

It is, by the way, not the only interesting approach out there. I have just seen a compilation of "work first" strategies and recommendations put together by Lyn Hogan for the Democratic Leadership Council.

What is striking about this "Blueprint for Change" is how on-democratic it sounds. Like Mr. Clinton's tactic of endorsing the most sensible of Republican proposals, the council is practically ecstatic about Republican Tommy Thompson's program. Listen to Lyn Hogan: "Replacing welfare with an employment system abolishes welfare's perverse incentives. A work-based system will move people from dependence on government to self-sufficiency; replace the indignity of handouts with the dignity of work; reward initiative, not punish it; and make opportunity, responsibility, family and community the organizing principles of life for the nation's poor." No inflatable dummies there.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Faure Fired On

PARIS — The President of the Republic, M. Felix Faure, was fired on with blank cartridges by a man of deranged mind. As the President was driving, this madman raised a revolver and aiming at the President's carriage, shouted "Vive le Président de la République" and fired twice. The crowd seized him, and there was an inclination to lynch him. According to the *Figaro*, the man has persecution mania, believing himself to have been maltreated by the city authorities. In a few weeks he will be sent to a lunatic asylum.

1921: Pirate Zone

NEW YORK — Yet another steamer reports an encounter at sea with a mysterious vessel carrying no lights and refusing to answer signals. The Department of Commerce has requested the Navy to patrol off the coast of

New Jersey, an area which has come to be known as the pirate zone.

The Department of Justice holds the theory that the strange ship or ships are being run by Bolshevik crews, who have murdered and seized their vessels. The epidemic of mutinies on board American ships in the last few weeks supports this theory.

1946: Loan to Britain

WASHINGTON — The House of Representatives approved today (July 13) the loan by the U.S. to Britain of \$3.75 billion for his signature. The vote was 219 to 155. The controversial loan was passed after President Truman pleaded with the House that its defeat would imperil the UN plan for world co-operation. In closing the debate, proponents of the loan shouted that the decision would determine whether the world turns to Washington or Moscow for leadership.

Violence Takes Tourists Clash in

The violence between the two groups, which began in the early 1990s, has now spread to the streets of the city. The police have been unable to control the situation, and the violence has continued for several days. The situation is now very serious, and the police are trying to restore order. The violence has caused many injuries and deaths, and the situation is now very dangerous. The police are trying to restore order, but the violence has continued for several days. The situation is now very serious, and the police are trying to restore order. The violence has caused many injuries and deaths, and the situation is now very dangerous.

South Africa Bids to

The South African government has made a bid to improve its relations with the United States. The bid is part of a larger effort to improve relations with the United States and other major powers. The bid is seen as a positive step towards normalizing relations between the two countries. The bid is also seen as a sign of the South African government's commitment to democracy and human rights. The bid is expected to be well received by the United States government.

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CAPITAL MARKETS ON MONDAY

The Zero-Risk Debt Club: Is Wider Membership Diluting Its Value?

By Carl Gewirtz
International Herald Tribune

PARIS — Without much fanfare, membership is growing in the exclusive club of countries whose debt is eligible for the coveted zero-risk weighting — meaning that banks can hold such paper without charging the exposure against capital under international rules for measuring the capital adequacy of banks.

The latest entrants are Hungary and the Czech Republic, because as members of the Organization for Economic Cooperation and Development, the Paris-based group made up of economically

developed countries, they are entitled to the privilege.

But, as was clarified when Mexico joined the OECD in 1994, this zero-risk weighting is not automatic. The Basel Banking Committee, which oversees banking regulations adopted under the aegis of the Bank for International Settlements, ruled that to be eligible a country must have a clean record of at least five years in servicing its debt. Thus, Mexico attained the zero weighting in March 1995, five years after its last debt rescheduling.

This timing, incidentally, probably explains why the Mexican government

was as eager as it was during its financial crisis at the end of 1994 to mount, with U.S. assistance, a \$20 billion loan to repay U.S. mutual-fund investors. That held off another rescheduling that would have delayed its zero-risk weighting until the start of the next century.

Poland, which joined the OECD last week, will have to wait until 1999 to pass the five-year mark.

There is some debate about how much the zero-risk weighting is worth in practice as the foreign-currency debt of some OECD member countries — including Greece, Turkey, Hungary and Mexico — is rated below investment grade by

private rating concerns. The Czech Republic's foreign debt is rated A, well above the investment-grade category, by Standard & Poor's Corp. Ten of the 28 OECD countries have debt ratings of AAA, the highest, and 12 are rated AA.

"The zero-risk weighting is likely to have some marginal influence on the willingness of banks to hold those assets in their portfolios," an international monetary official said. "But where there is some sovereign risk, such as Turkey or Mexico, I'm not sure the Basel weighting is a great influence." The internal guidelines on exposure of each bank are probably more important.

Private-sector bankers see things differently, however.

"The zero weighting has an impact, absolutely yes," said William Narvis at ING Barings Securities, a leader in marketing so-called emerging-market debt. He said the margins Czech borrowers paid on syndicated credits in the interbank market had dropped from a high of 80 basis points above the London interbank offered rate to a recent low of 17.5 basis points.

Comparison is difficult, bankers say, but analysts at J.P. Morgan & Co. say benchmark Eurobonds issued by Hungary and Mexico have far outperformed Morgan's Emerging Bond Index this year. Meanwhile, the yield spread between Hungary National Bank's 7.95 percent

bonds and U.S. Treasury issues tightened by 229 basis points in the first half of 1996, and that between U.S. issues and the 7.25 percent bond of Mexico's Banco Nacional de Comercio Exterior tightened 207 basis points. This compares with a tightening of 116 basis points on J.P. Morgan's overall index. Generally, yield spreads tighten as prices of lower-rated issues rise.

Poland, carrying the lowest investment-grade rating of BBB-minus, sold 250 million Deutsche marks (\$164.5 million) of five-year notes at a spread of 63 basis points over German government paper. Managers said Poland's first Deutsche mark Eurobond was heavily oversubscribed.

Mr. Narvis attributed the investor response to a combination of the investment-grade rating, entry into the OECD and competition among banks as well as investors "looking for something new."

Morocco, normally considered a riskier borrower, issued 1.5 billion French francs (\$291.8 million) of six-year notes paying a coupon rate of 6.5 percent to yield 48 basis points over French government paper. This was possible because Caisse Française de Développement guaranteed repayment of all the principal and 65 percent of each coupon payment.

In the French domestic market, Crédit Lyonnais turned its triumph in recapitalizing 40 billion French francs of loans

into a public-relations disaster. Three of its leading competitors — Banque Nationale de Paris, Caisse des Dépôts & Consignations and Société Générale — refused the underwriting offered to them, arguing that being allowed only 1 percent of the issue was insulting. Three others — Crédit Agricole, Crédit Commercial de France and Paribas — accepted the allotments.

The 8 million franc one-year floating-rate notes were priced to pay the three-month interbank offered rate, the two-year notes were priced at four basis points above that reference rate, and the three-year notes were sold at a spread of seven basis points.

The 16 billion francs of five-year notes was offered at a spread of nine basis points. The spreads were at the upper end of the indicated range, but the placement was a success.

The three lead underwriters — Crédit Lyonnais, Merrill Lynch and Morgan Stanley — argued that it was normal for managers to take 90 percent of such a large repackaging of collateralized loans and such a potentially difficult issue and that the 1 percent offered underwriters was still a large 400 million francs. The critics ended the week huffing that in future deals they managed they would invite Crédit Lyonnais also for only a 1 percent underwriting, compared with the standard 7 percent to 10 percent.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending July 12. Prices supplied by Teletel.

Rank Name Cpn Maturity Price Yield

British Pound

183 Northern Water 5% 06/28/06 99.6250 8.6600
188 Powergen 5% 07/03/06 99.5000 8.5400
193 Northern Trust 5% 06/28/01 100.3750 7.6000
245 BHP Billiton 7% 12/28/00 100.3750 7.6000

Danish Krone

6 Denmark 8 03/15/06 104.1250 7.8800
18 Denmark 8 03/15/06 104.1250 7.8800
20 Denmark 8 03/15/06 104.1250 7.8800
28 Denmark 8 03/15/06 104.1250 7.8800
33 Denmark 8 03/15/06 104.1250 7.8800
37 Denmark 8 03/15/06 104.1250 7.8800
67 Denmark 8 03/15/06 104.1250 7.8800
106 Denmark 8 03/15/06 104.1250 7.8800
134 Nykredit 3 Cs 8 03/15/06 104.1250 7.8800
139 Denmark 8 03/15/06 104.1250 7.8800
205 Denmark 8 03/15/06 104.1250 7.8800

Deutsche Mark

1 Germany 6% 04/26/06 98.0117 6.3800
2 Germany 6% 04/26/06 98.0117 6.3800
3 Germany 6% 04/26/06 98.0117 6.3800
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Largest newsstand in the sky.

swissair world's most refreshing airline.

Herald Tribune
BUSINESS / FINANCE

MONDAY, JULY 15, 1996

Draft beer on board.

swissair world's most refreshing airline.

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CYBERSCAPE

Office Projector Meets Its On-Line Successor

By Kevin Murphy
International Herald Tribune

HONG KONG — The overhead projector, a fixture of office meetings and conferences since not too long after Edison invented the light bulb, was probably overdue for a makeover in the Internet age.

Now, instead of lights dimming and presenters fumbling with transparencies, a new device is making it possible for groups in separate locations, linked by telephone, to see and edit the same documents — in broad daylight.

Developed and built by Polycorn Inc. of San Jose, California, the ShowStation unit's combination of a high-resolution camera with data compression and advanced communications technology permits an interactive review of documents such as spreadsheets, diagrams, slide presentations, contracts and memos in multiple locations.

The problem: How to exchange documents in a videoconference.

While perhaps making meetings more lively and streamlined, the company also hopes to open up a profitable niche in the global teleconferencing industry, which had revenue of more than \$4 billion in 1995 in the United States alone and is expected to grow to \$7 billion there by 1997.

"Data conferencing accounted for only about 10 percent of that \$4 billion market," said Jeff Hummels, Polycorn's Asia-Pacific director.

"We believe we're offering something that people who now use video or audio conferencing really need."

In addition, analysts said, with ShowStation, Polycorn is one of the first companies testing an international operating standard for computer systems that is expected to greatly enhance people's ability to communicate and share applications on the Internet or on in-house corporate networks or telephone lines.

Businesses have increasingly embraced audio and video teleconferencing technology as an economic alternative to face-to-face meetings. But, despite rapid advances in both fields, they still often need to exchange reams of documents, charts and models to actually get things done.

The ShowStation unit, which costs about \$18,000, is designed to transmit a clear image of a document or an object in a few seconds to a desktop computer elsewhere for wall-screen display. The parties to a meeting can speak freely to one another on Polycorn's original product, a high-performance conference

Kerkorian Trilogy:
New Bid for MGM

Bloomberg Business News

SANTA MONICA, California — Kirk Kerkorian, an investor and twice the former owner of Metro-Goldwyn-Mayer Inc., and Seven Network Ltd. of Australia are backing a new bid for the Hollywood studio by MGM managers, according to members of the studio's management.

The group bid about \$1.3 billion for MGM, a person familiar with the bid said late Friday. The bid matches an offer by PolyGram NV, which is generally considered the front-runner in an auction being held by the studio's French owners.

The French bank Crédit Lyonnais, whose affiliate Consortium de Réalisation is selling the studio, closed the latest round of bidding last week. Crédit Lyonnais said Mr. Kerkorian's bid was the most competitive.

Mr. Kerkorian, who built a Las Vegas casino empire that includes the MGM Grand Hotel and theme park, would help the studio exploit its well-known name in new leisure markets, according to a statement quoting Mr. Mancuso.

He said some critics of Mr. Kerkorian's involvement may "attempt to destabilize our partnership" and "play on misconceptions" about Mr. Kerkorian's motivations. Crédit Lyonnais has accused Mr. Kerkorian of being interested in MGM only to carve it up and sell its assets.

entatives of the affiliate handling the sale could not be reached for comment. The new bidding entity is composed of an MGM management team led by Chairman Frank Mancuso, Mr. Kerkorian's Tracinda Corp. and Seven Network, an Australian television and cable network. Mr. Kerkorian has the controlling equity interest in the entity, the person familiar with the bid said.

Mr. Kerkorian bought MGM in 1969, sold it to the cable-television entrepreneur Ted Turner in 1986 and then bought it back without its pre-1986 film library. He later sold it to the Italian financier Giancarlo Parretti, who lost it to Crédit Lyonnais after defaulting on bank loans.

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Bertelsmann Looks to U.S.
Firm Discusses American Link for TV Project

Compiled by Our Staff From Dispatches

FRANKFURT — Bertelsmann AG of Germany, whose European digital-television alliance founded when a key ally defected to the rival Kirch Group, said Sunday it was considering a tie-up with U.S. companies.

"This is an option we are discussing," a Bertelsmann spokesman said. He declined to say whom Bertelsmann might approach. But the newsmagazine Der Spiegel said Bertelsmann might favor the American film studio MCA Universal or Walt Disney Co., which has close relations to Compagnie Luxembourgeoise de Télédiffusion.

Disney and ABC said last month they would combine their international television businesses to better distribute programs and operate their overseas broadcast units.

Seagram Co.'s MCA Universal, meanwhile, has also made an offer to provide television series and movies to Bertelsmann, proposing a 10-year, 3.8 billion Deutsche mark (\$2.52 billion) contract, Der Spiegel said.

The Bertelsmann spokesman said U.S. partners could take a stake in Bertelsmann's television units, including Ufa Film and Fernseh Service GmbH, a holding company that includes the Premiere channel, giving indirect access to Germany's only established pay-TV station.

Bertelsmann owns a 37.5 percent stake in Premiere.

The 30 percent stake in the digital-television alliance abandoned by British Sky Broadcasting Group PLC also could be picked up, the spokesman said.

In March, Bertelsmann appeared to have isolated the Kirch Group when it agreed to develop programs for digital television in the joint venture with the pay-television provider Canal Plus of France, Havas SA of France and BSKyB.

But BSKyB abandoned the venture last week and struck a deal with Kirch Group, effectively dealing a death blow to the alliance.

Bertelsmann's relations with Canal Plus also were cast into doubt after the German group decided to merge its Ufa television operations with CLT. The latter is part of a consortium in France that will compete with Canal Plus in pay digital television.

Canal Plus said this month it would still work with Bertelsmann in some joint ventures but raised the specter of turning to Kirch for a deal in the digital-satellite business.

The maneuvering means the future for Germany's satellite digital television market is still open.

"This is now a good time to sit back and think which option makes the most sense," the Bertelsmann spokesman said.

At stake is leadership in a market that is forecast to be worth more than \$2 billion in Germany alone by 2000

and that will become the platform for movies, home shopping and interactive television.

Germany has Europe's largest overall TV market, with around 32 million television-owning households. Some 16 million homes are connected to Deutsche Telekom AG's cable-television network, while nearly 10 million receive Astra satellite network programming.

Digital television is seen as the future of broadcasting because it enables television companies to offer hundreds of additional channels at low cost, improves picture quality and provides interactive services such as home shopping. But the fight for broadcasting rights has unleashed a bidding war.

The spokesman said it made little sense for Germany's media giants to compete with one another and push up bids for rights to movies and sporting events. He called the prices asked by some U.S. film studios for their products "absurd."

But Der Spiegel reported that if the discussions with the major studios broke down, Bertelsmann could limit its investment in digital television.

Separately, the spokesman confirmed that Bertelsmann was considering a plan from its television company RTL to list 49.9 percent of RTL on the stock exchange to enable Bertelsmann to finance expansion plans. (Reuters, Bloomberg)

After Slow Start, the New Russia Inspires Bulls

By Craig Mellow

Special to the Herald Tribune

MOSCOW — Flies droned above the makeshift trading floors last week as brokers waited in vain for the flood of buy orders they expected to follow President Boris Yeltsin's re-election July 3.

Instead, stock prices lost 30 percent of their value in the week after July 4, when they reached a record high on Mr. Yeltsin's victory.

On Friday, however, the Russian Trading System of 21 electronically traded stocks posted its first increase since July 4, and local operators remained bullish on Russia.

"There is no doubt of an investment boom," said Fred Berliner, head trader at Troika-Dialog, the Moscow brokerage concern founded

by Joe Ritchie, an American commodities trader. "Just look around you. The whole place has to be rebuilt."

With communism now definitively banished, the optimist's argument runs, reformers will steadily improve the organizational framework that has kept the country's economic giants stunted.

Oil companies are expected to get relief from a tax rate four times the one levied on their competitors from Norway; utilities and telecommunications companies will be allowed to charge realistic rates.

"What you're betting on in this market is basically that Russia will become normal," said Par Mellstrom, head of research at Brunswick, a brokerage concern founded by two Swedes who came to Moscow as privatization advisers.

Stabilization and the growing

economy promised for next year are expected to help close the yawning valuation gaps between Russian stocks and comparable issues elsewhere.

What, then, is the reason for the delay? For one thing, the Moscow market has already had a banner year, rising some 150 percent since Mr. Yeltsin began to look like a winner in March. Further progress depends on attracting mainstream institutional investors, most of whom are now legally prohibited from buying into Russia. An alternative source of new liquidity is the estimated \$20 billion to \$30 billion that ordinary Russians are holding in cash savings.

A similar amount of capital has fled the country. The American mutual-fund operator Pioneer is hoping to tap these hoards with a domestic fund similar to one which poured \$1 billion into Poland's fledgling mar-

kets. But Russians were burned badly over the past few years by pyramid schemes and other dubious investments, and restoring confidence is likely to be an uphill struggle.

The post-election environment, which Russia enthusiasts see as diminished risk, could still pass for calamity anywhere else: Mr. Yeltsin's health, a budget deficit that has widened to 7 percent of gross domestic product from 1 percent and a frail banking system.

But to brokers who three years ago were hauling \$5 million in cash downtown for voucher auctions, or taking the day off to watch tanks shell Parliament, today's problems seem like a few fussy details.

"I don't expect a major sell-off unless Mr. Yeltsin dies without a successor," said Catherine MacDougall, an analyst with Kleinwort Benson Securities.

India Files Charges Over Reliance's Stock Swaps

Compiled by Our Staff From Dispatches

BOMBAY — Reliance Industries Ltd., India's largest private company, reported over the weekend that the country's registrar of companies had accused it of making illegal share swaps.

The charges are the culmination of a yearlong controversy over the way Reliance replaced nearly 40,000 share certificates for investors. The company is also alleged to have broken the law by registering institutional shareholders as owning certificates other than the ones they had bought.

The registrar, which is part of the Department of Company Affairs, filed 29 charges against the

company, its shareholder services affiliate Reliance Consultancy Services Ltd. and nine senior executives, according to Indian newspaper reports. The Securities and Exchange Board of India said it would cancel the affiliate's license.

Court hearings on the matter were set to begin Oct. 15.

Reliance responded that it had taken care to comply with the law and said "there has at no stage been any deliberate or willful lapse in this regard."

It has applied, however, to have the charges compounded, or bundled into a single charge.

Reliance has said that it took proper pre-

cautions before issuing replacement certificates for 37,600 shares to Rajat Vasa, a doctor to the Ambani family that runs the company. Dhruv Ambani, chairman, and his sons Mukesh and Anil are among those charged.

In the second incident, Reliance said "technical lapses" led Consultancy Services to register Unit Trust of India as owning shares other than the ones it sent for transfer.

The controversies have depressed the company's shares, sending them down from a high of 295.50 rupees (\$8.32) a year ago to close Friday at 170.50, down 7. (Bloomberg, Reuters)

São Paulo
To See Bank
Takeover

Compiled by Our Staff From Dispatches

SAO PAULO — Banco de Crédito Nacional SA agreed over the weekend to acquire Banco Itamarati SA, a move that would create Brazil's fifth-largest private bank.

The bank would have combined assets of \$11.2 billion and deposits of \$3.2 billion.

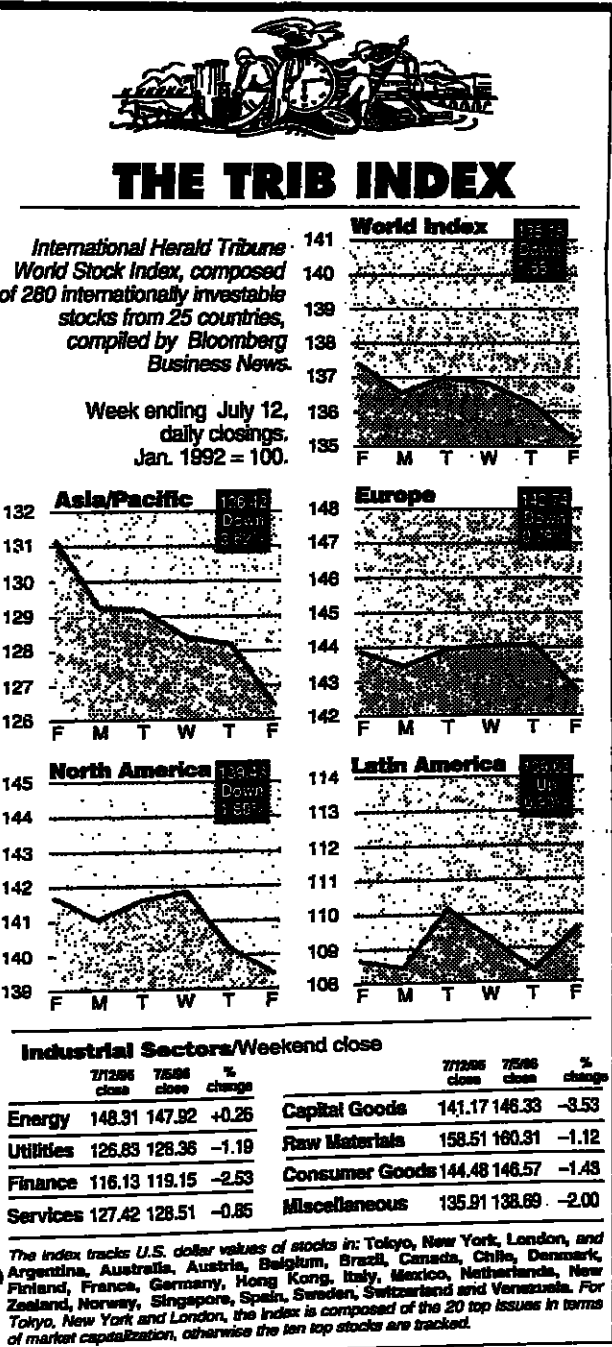
The agreement calls for the banks to be administered by a new holding company whose shares will be split 75 percent for the group led by Pedro Conde, president of Banco de Crédito, and 25 percent for Olney de Moraes, Itamarati's owner.

Banco de Crédito will begin administering Itamarati's network of branches Monday.

Mr. Conde, who will be president of the holding company, said the acquisition would "benefit our clients and strengthen our capacity to conquer a new position in the competitive Brazilian financial market."

The new bank will have a network of 206 branches with nearly 220,000 clients.

The Conde family has a long banking tradition and operates "an extremely solid bank," said Paul Bydalek, who runs Atlantic Rating, a credit-rating concern. (Bloomberg, Reuters)



CURRENCY RATES

Cross Rates

	U.S.	DM	FF	Yen	GBP	HKD	SFR	Yen	CS	Peru
Australia	1.785	2.635	1.125	0.0115	—	5.47	1.354	1.344	1.24	1.32
Canada	0.709	1.362	0.603	0.0071	—	2.45	0.894	0.884	0.81	0.85
France	1.336	1.336	—	—	—	—	—	—	—	—
Germany	1.936	1.936	—	—	—	—	—	—	—	—
Italy	1.366	1.366	—	—	—	—	—	—	—	—
Japan	1.000	1.000	—	—	—	—	—	—	—	—
South Africa	1.500	1.500	—	—	—	—	—	—	—	—
Spain	1.666	1.666	—	—	—	—	—	—	—	—
Sweden	1.483	1.483	—	—	—	—	—	—	—	—
Switzerland	1.483	1.483	—	—	—	—	—	—	—	—
Taiwan	1.366	1.366	—	—	—	—	—	—	—	—
Thailand	1.366	1.366	—	—	—	—	—	—	—	—
UK	0.709	0.709	—	—	—	—	—	—	—	—
US	1.000	1.000	—	—	—	—	—	—	—	—

Other Dollar Values

	Per \$	Per \$	Per \$	Per \$	Per \$	Per \$	Per \$	Per \$	Per \$	Per \$
Argentine peso	0.0088	0.0088	0.0088	0.0088	0.0088	0.0088	0.0088	0.0088	0.0088	0.0088
Australian dollar	0.709	0.709	0.709	0.709	0.709	0.709	0.709	0.709	0.709	0.709
Canadian dollar	0.709	0.709	0.709	0.709	0.709	0.709	0.709	0.709	0.709	0.709
Chinese yuan	8.275	8.275	8.275	8.275	8.275	8.275	8.275	8.275	8.275	8.275
Czech koruna	20.36	20.36	20.36	20.36	20.36	20.36	20.36	20.36	20.36	20.36
Danish krone	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46
East German mark	1.536	1.536	1.536	1.536	1.536	1.536	1.536	1.536	1.536	1.536
Malaysian ringgit	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36
New Zealand dollar	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69
Portuguese escudo	200.48	200.48	200.48	200.48	200.48	200.48	200.48	200.48	200.48	200.48
South African rand	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
South Korean won	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Thai baht	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Uruguayan peso	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Vietnamese dong	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3

Forward Rates

	30-day	60-day	90-day	180-day	360-day	540-day	720-day
British pound	1.525	1.525	1.525	1.525	1.525	1.525	1.525
Canadian dollar	0.709	0.709	0.709	0.709	0.709	0.709	0.709
Japanese yen	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Swiss franc	1.483	1.483	1.483	1.483	1.483	1.483	1.483

Sources: (US) Bank of America; (Europe) Bank of America; (Asia) Bank of America; (Africa) Bank of America; (Latin America) Bank of America; (Middle East) Bank of America; (Oceania) Bank of America; (Caribbean) Bank of America; (Central America) Bank of America; (South America) Bank of America; (Africa) Bank of America; (Asia) Bank of America; (Europe) Bank of America; (Latin America) Bank of America; (Middle East) Bank of America; (Oceania) Bank of America; (Caribbean) Bank of America; (Central America) Bank of America; (South America) Bank of America; (Africa) Bank of America; (Asia) Bank of America; (Europe) Bank of America; (Latin America) Bank of America; (Middle East) Bank of America; (Oceania) Bank of America; (Caribbean) Bank of America; (Central America) Bank of America; (South America) Bank of America; (Africa) Bank of America; (Asia) Bank of America; (Europe) Bank of America; (Latin America) Bank of America; (Middle East) Bank of America; (Oceania) Bank of America; (Caribbean) Bank of America; 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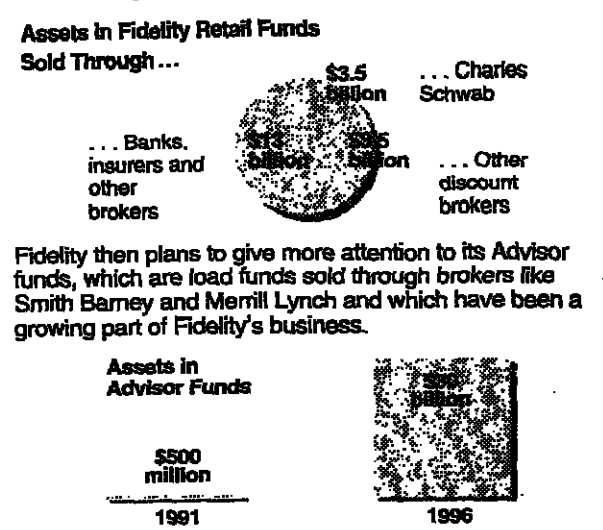
MUTUAL FUNDS

Figures as of close
of trading Friday, July 12

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Increasing Fidelity

Fidelity Investments decided last week to stop selling many of its popular mutual funds through third-party retailers, such as the discount brokerage Charles Schwab & Co. Fidelity is hoping to regain direct control over customers who have bought \$20 billion worth of Fidelity funds through these third parties.



Fidelity then plans to give more attention to its Advisor funds, which are load funds sold through brokers like Smith Barney and Merrill Lynch and which have been a growing part of Fidelity's business.

SMITH COVER

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Report: Progress in U.S.

ALL Cost Public \$120

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The Firms and Work For

Executives Leave Leban's PWC

UK: Projector

the government's decision to raise the minimum wage to \$1.00 an hour. "The government is not going to do it," he said. "The government is not going to do it."

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GROUPT

The papers

Caring on credit
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SHORT COVER

U.S. to Urge APEC to Cut Tech Tax

CHRISTCHURCH, New Zealand (AFP) — The United States will press other leading APEC economies to abolish tariffs on information-technology equipment during two days of talks here, U.S. officials said Sunday.

Charles Barshefsky, acting U.S. trade representative, said Washington wanted the backing of the Asia-Pacific Economic Cooperation forum for the plan, under which tariffs on computers and telecommunications equipment would be cut back, then eliminated by 2000.

Ms. Barshefsky was among 300 trade ministers and officials from the 18 APEC economies arriving in Christchurch over the weekend for talks called to formulate plans for APEC to influence the first ministerial meeting of the World Trade Organization in Singapore in December.

Lloyd's Reports Progress in U.S.

NEW YORK (Bloomberg) — Lloyd's of London said Sunday that state regulators representing 84 percent of its U.S. investors would drop lawsuits against the insurance market.

In exchange, the U.S. investors, or "Names," would have their debts to Lloyd's reduced by as much as 23 percent, or \$62 million. The proposal is part of a settlement under which Lloyd's is seeking to reorganize after losing almost \$12 billion in the late 1980s and early 1990s.

"We are very gratified to see such strong support for this agreement within such a short time frame," Peter Lacey, managing director of Lloyd's North America, said.

U.S. S&Ls Cost Public \$130 Billion

WASHINGTON (NYT) — A General Accounting Office report said the savings-and-loan bailout cost the United States nearly half a trillion dollars, including more than \$130 billion from taxpayers.

The figures, released Friday, were roughly in line with previous estimates and included direct and indirect costs as well as interest payments that will stretch out for decades.

"The bad news in this report is that the cost of the failure of many thrift institutions, with interest, approaches half a trillion dollars and that taxpayer accountability due to bonds issued will continue through the year 2030," said Jim Leach, Republican of Iowa, chairman of the House Banking Committee.

The report was the most comprehensive government study so far on the costs of the failure of more than 700 savings institutions in the 1980s and early 1990s because of mismanagement, fraud and an economic downturn in states such as Texas and California.

For Sale: Firms and Work Forces

BEIJING (Reuters) — China wants to sell, lease or transfer as many as 90,000 small or medium-sized state-owned industrial state companies to anyone willing to take responsibility for their employees, officials said Sunday.

The state can no longer afford to support the companies and has decided they are no longer essential to its control of the economy, economists and officials said.

"Anyone can buy these firms," Tao Liming, an economist at the state-run Bank of China, said. "In some cases, you can almost name your price, but the condition is that you take responsibility for the workers. We cannot allow an increase in unemployment."

Separately, China said it expected its trade surplus to narrow to \$4 billion this year from \$16.7 billion last year as rising wages and a stronger currency cut into its exports.

2 Executives Leave Icahn's Firm

NEW YORK (Bloomberg) — Carl C. Icahn's chief investment adviser, Mark Rachevsky, and the analyst for the financier's \$1 billion portfolio, Richard Rubin, have resigned from Icahn & Co.

The departure of the two executives comes as Mr. Icahn considers another attempt to force RJR Nabisco Holdings Corp. to spin off its Nabisco food unit. Mr. Icahn, who owns 13.1 million, or 4.8 percent, of RJR's shares, wants to split RJR's tobacco and food business into separate companies.

Seeking a Cure for the Summer Stock Doldrums

By Jay Mathews
Washington Post Service

NEW YORK — The stock market has intruded on summer as a major concern, and many investors are trying to decide how they should react.

Financial analysts, although they do not know how far the market may drop — the Dow Jones industrial average lost only 9.98 points Friday, and some broader indexes rose slightly — are ready with some advice for getting by with the least damage.

The most frequently heard admonitions fall into simple categories: Sell your stock and hide; sell your stock and look for new stocks that will survive in a bear market, or close your eyes and stand pat. Here's what several experienced analysts say about these choices:

• Sell and hide: This is not a pop-

ular choice with analysts, and not only because it reeks of cowardice and despair. Putting one's money into low-risk, low-yield money market funds strikes many of them as a colossal waste of good capital. They say that in a strong, low-inflation economy, it is hard to imagine the market will not revive eventually and take stock prices even higher.

Analysts who have watched the baby boom generation pour hundreds of billions of dollars into stock mutual funds are particularly reluctant to leave the market now.

For the next 15 to 20 years, that huge generation will have no better place to put its retirement savings than the stock market, ensuring that every brief downturn is quickly followed by more buying, said Alfred F. Kugel, senior investment strategist at Stein, Roe & Farnham Inc. in Chicago. But for fretful investors who lack the stomach for

watching a market plunge, this may still be the best alternative, some analysts said — better to sell now, when prices still are healthy, than at

INVESTING

the bottom of the trough, when the terror may be too much to bear.

• Sell and look for bargains: This calls for well-tested faith in one's broker or, better yet, huge chunks of leisure time for market-trend watching and company research.

Market-timing enthusiasts such as Stan Weinstein, editor and publisher of the Professional Tape Reader & Global Trend Alert newsletter in Hollywood, Florida, prefer this approach.

Mr. Weinstein has concluded that the major indexes have reached their peaks and a bear market is on the way. He is advising his readers to start selling their bal-

anced stock portfolios whenever the market rallies a bit and sinking the proceeds into a few bear-resistant investments, particularly real estate investment trusts and oil and gas stocks.

That might be fine for Mr. Weinstein, who absorbs market rhythms with each breath, but the average investor cannot be expected to have unerring instincts for market reversals, others said.

Investors "shouldn't be changing strategies dramatically at this point," said Elizabeth K. Miller, portfolio strategist at Trevor Stewart Burton & Jacobsen Inc. Small investors who add a few hundred dollars to their stock account each month should continue to do so, she said.

Refined stock-picking has less risk "if you are retired and spend a lot of your time thinking about the market," said Nancy Duman, a columnist for the on-line magazine

Money Talks. But pitfalls abound. Thomas Regner, chief equity portfolio strategist at Kemper Financial Services Inc. in Chicago, said that among recently battered stocks that may appear to be bargains, Hewlett-Packard Co. has a sound business plan, but United Healthcare Corp. is likely to continue to suffer from intense competition.

• Stay put: This is the analysts' preference for most investors. "If you are a long-term investor, looking forward five to 10 years, then what happens now in the market is irrelevant," Mr. Regner said.

Mr. Kugel said that when the stock market collapsed in 1987, many analysts predicted years of poor returns. "Instead, in 13 months we were back up to a new high," he said, and investors who held on to stock in companies that had been successful before the drop did well afterward.

Instant-Data Subscribers: The New 'Insiders'

By Marcia Vickers
New York Times Service

NEW YORK — Time is money — and on Wall Street, real time can mean real big money.

That's what some professional investors have learned recently.

They get company documents as soon as they are filed with the Securities and Exchange Commission, sometimes putting them ahead of the pack in market-moving information. It may be just five or 15 minutes' difference, but it can earn them a bundle.

On May 30, for example, George Soros filed a notice with the SEC saying he was buying a 5.18 percent stake in Rowan Co., a Houston-based oil and gas drilling concern.

That intrigued Barry Soloway, a day trader in Miami who earns his living on quick moves in and out of

the market. He subscribes to a real-time SEC filing service called Smart Edgar, and he said he profited handsomely by acting fast when he saw the Soros news.

"It hit Smart Edgar at 10:41 A.M., and then it hit Dow Jones at 10:53," Mr. Soloway said. He bought 11,000 shares at \$15.625 and sold quickly at \$15.875, for a \$2,750 profit. "Getting that story in advance, even 12 minutes, means money in the bank," he said.

Companies used to file SEC documents on paper and send copies to news services. These services — Reuters, The Associated Press, Bloomberg Business News and others — relay the news quickly to the market so that no one has an informational edge.

But things have changed. First, the number of public companies, and thus the volume of

filings, has multiplied. Filings now average 1,500 a day, up from 1,000 a day five years ago. On deadline days for filing quarterly corporate data, roughly two weeks after the end of a quarter, about 5,000 documents are filed.

Such growth makes it difficult for the designated news services to receive and publish promptly all the important market information.

Then came Edgar, the SEC's proprietary electronic filing system. Begun in September 1994, the system became fully operational in May, and every public company now is required to file all documents to Edgar, or Electronic Data Gathering Analysis and Retrieval.

Because these filings are public, the SEC provides them free on the Internet, with a 24-hour delay. But it also sells the information on a real-time basis — no delay — to a

contractor, who feeds it to subscription services. They, in turn, sell it to information services such as Disclosure Inc., Lexis/Nexis and Internet Financial Network, the producer of the Smart Edgar service.

Given the growing workload for the news agencies, these companies can sometimes get information to subscribers before the broader market is informed. But the firms also often package Edgar data to make it quicker to find and understand.

These developments have created an uneven playing field for investors. "With the avalanche of SEC filings, using a real-time Edgar service that has the tools to rake the data for usable information no doubt provides investors with a trading edge," said Cliff Boro, president of Internet Financial Network. "There is no way the news services can pick up on all these filings."

Britain Sets Value On Energy IPO

Reuters

LONDON — British Energy PLC's public offering will value the company at £1.41 billion (\$2.18 billion), the Department of Trade and Industry said Sunday.

Shares in the nuclear energy company, priced at 203 pence each, will begin trading on the London Stock Exchange on Monday, and prices and allocations are subject to confirmation then.

Forty-three percent of the offering is reserved for British investors, who will be able to purchase the shares at a discount, at 198 pence. The British portion of the offering was 1.7 times oversubscribed, while the international portion was 2.4 times oversubscribed. The government said it would not hold more than 1 percent of British Energy's issued share capital after the sale.

Stock-Price Slide Clouds the Crystal Ball on Fed Rate Moves

By Carl Gewirtz
International Herald Tribune

PARIS — This promises to be an agonizing week for investors as they await Thursday's semiannual report to Congress by the U.S. Federal Reserve Board chairman, Alan Greenspan, and some clue about whether interest rates are poised to rise or likely to remain stable.

Market expectations are heavily tilted toward an increase of at least half a percentage point — 50 basis

points — in the Fed's target rate for overnight money, currently 5.25 percent, which sets a base for market interest rates.

But there is also increasing concern among those who expect the Fed to move that its action could be short-circuited by worries about a slide in U.S. stock prices. The Dow Jones industrial average lost 77.58 points last week. That is a decline of only 1.4 percent, hardly the stuff to get nervous about. But the tendency toward weakness after an extended

rally makes analysts nervous that a sizable setback may be in the offing. The worries cut two ways.

On one hand, there is concern in the market that the Fed may be reluctant to tighten monetary policy out of fear of igniting a much more serious sell-off in stock prices, said Paul Chertkow at the London office of Union Bank of Switzerland.

But Mr. Chertkow said this fear was unjustified. An increase in rates would show the Fed was still tough on inflation, which would underpin

the bond market and restore confidence in stocks, he said.

The other worry is that if the setback in equity prices were to approach the level of the 1987 collapse, when the Dow fell more than 20 percent in one day, the Fed might not only fail to raise rates but might be driven to cut them.

The concern about the stock market is "clouding the issue about the Fed's next move," said Ravi Bulchandani at Morgan Stanley in London. He expects the Fed to raise

rates by 50 basis points at least by Aug. 20, the date of the Fed's next policy-making meeting.

A 50-basis-point increase would help the dollar break above 1.5450 Deutsche marks, he said. The dollar ended Friday at 1.5238 DM. But he said a smaller increase would leave the dollar locked near the higher end of its recent range of 1.50 DM to 1.54 DM. "If the Fed stands pat and the market takes the view that no action is imminent, then the dollar falls," he said.

TALK:
New Projector

Continued from Page 13

telephone system for which Polycom currently controls about 65 percent of the U.S. market. Using an electronic pen, they also can make changes in the image that instantly appear at the other end of the line as well and are saved in the machine's memory.

"Polycom has demonstrated more progress in this area of conferencing, in room-level conferencing, than just about anyone else," said Gary Schultz, president of Multimedia Research Group in Sunnyvale, California.

To date, at this cost and capability, there's not a lot else out there. The ShowStation incorporates the T.120 standard for teleconferencing that has been approved by the International Telecommunications Union and recently was embraced by many hardware and software industry leaders.

The key to T.120, industry executives said, is its emphasis on "interoperability," or its ability to link users regardless of their hardware platform or operating system.

"It's gaining a lot of momentum," said Eric Law, director of Microsoft Corp.'s Internet customer unit in Hong Kong. "T.120 is going to be an important development for the Internet."

Because various users with the right software will be able to tap into data conferences held between two ShowStations or other points, the scope for widespread interactive meetings, presentations and lectures is broad.

Microsoft Corp., for example, has included the new standard in NetMeeting, its recently announced software for Internet conferencing, as has PictureTel Corp. in its latest data-conferencing software. They have forwarded a jointly owned application-sharing protocol to the International Telecommunications Union for inclusion as an enhancement to the T.120 standard.

Analysts said a new standard should help Polycom sell its ShowStations as well as challenge other companies to find new ways to capitalize on the technology.

Internet address: Cyber-Scape@lib-lib.demond.co.uk

Australian Bank Sale
Draws a 'Fair' Price

Compiled by Our Staff From Dispatches
SYDNEY — The government said Sunday it was happy with the 5 billion Australian dollar (\$3.97 billion) sale of its remaining stake in Commonwealth Bank of Australia, despite a final price at the lower end of market expectations.

The government set the final price for the public offering of one of Australia's top three banks at 10.45 dollars a share. Finance Minister John Fahey said he thought the price was fair.

"I am confident that those who have invested in the Commonwealth Bank will get a very good return, particularly over the next 18

months, and at the end of the day they'll have a very solid share in a great Australian institution," Mr. Fahey said.

Investors will pay in two installments for their 40 percent stake — 6 dollars a share now and the rest in November 1997. The bank separately will buy back a 10.4 percent stake from the government.

The new shares will begin trading on the Australian Stock Exchange on Monday in the form of installment receipts. Existing Commonwealth Bank shares closed Friday at 10.11 dollars, down 18 cents. The offering is the biggest public share sale in Australian history.

(Reuters, Bloomberg)

1 st SEMESTER CONSOLIDATED SALES		
	1996 (FRF millions)	1996/1995 (%)
France	1,392	-
Germany	527	- 7
Other European countries	1,183	-
NAFTA (USA - Canada - Mexico)	586	+ 2
Other countries	702	+ 99
Total	4,390	+ 8

At constant exchange rates, sales would have reached FRF 4,410 million, the difference stemming primarily from Germany (-4% at constant exchange rates).

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NEW PORTFOLIOS
Notice is hereby given to Unitholders that the following Portfolios will be open for subscription from the 15th July 1996:
The Japan Smaller Companies Portfolio
During an initial launch period from 15th July 1996 through to and including 26th July 1996, the Japan Smaller Companies Portfolio will be offered at a fixed dealing price of IPY 250
The Sterling Reserve Portfolio
For further information and a Prospectus please contact us at the above address

UL enhverver
DEMKO for at opnå
EU-certificering langt
hurtigere end før.

(Translation: UL acquires DEMKO
for faster-than-ever certifications for Europe.)

Learning the certification requirements for export to Europe is even trickier than learning to speak Danish. But now that UL has acquired DEMKO, Denmark's national testing and certification company, UL's certification services to the European exporter are better than ever.

And there's more good news. One product submittal with UL can give your product the

DEMKO-Mark and CE Marking — all crucial to your product's European acceptance. UL customers in the U.S. and Canada can work directly with UL

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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, July 12

Stocks Div Yld 100-High Low Chg

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SPORTS

Seles Beats Date, and U.S. Is in Fed Cup Final

Compiled by Our Staff From Dispatches
In Nagoya, Japan, Monica Seles beat Kimiko Date 6-0, 6-2, giving the United States a 3-0 victory in its Fed Cup semifinal against Japan.

The victory gave the United States a winning lead, even with one singles rubber and one doubles rubber to play. It will play Spain in the final in September.

On Saturday, Seles had trounced the world's No. 24 player, Ai Sugiyama, 6-

TENNIS ROUNDUP

2, 6-2, while 10th-ranked Lindsay Davenport routed Date 6-2, 6-1.

Date had helped Japan reach the Fed Cup semifinals by beating Steffi Graf in April.

In Bayonne, France, Spain received a walkover in the deciding doubles to beat France 3-2. Conchita Martínez and Arantxa Sánchez Vicario, best Julie Halard-Decugis and Nathalie Tauziat of France, 6-4, 2-1, after Halard-Decugis retired with a wrist injury.

Halard-Decugis had outlasted Sánchez Vicario in the fourth singles to level the tie. Halard-Decugis beat Sánchez-Vicario, 2-6, 6-4, 7-5, in a match that lasted 2 hours, 25 minutes.

Martínez had given Spain the lead earlier in the afternoon. Martínez saved four set points, then breezed to a 7-5, 6-1 victory over Mary Pierce. Martínez took 11 of the last 12 games against Pierce.

Alberto Costa collected his second career title with a 4-6, 7-6 (7-2), 6-1, 6-0 victory over fellow-Spaniard Félix Mantilla on Sunday at the Swiss Open in Gstaad.

Costa, who beat top seed and defending champion Yevgeny Kafelnikov of Russia in Saturday's semifinals, made a sluggish start and lost the first set, but Costa, seeded No. 6, recovered to take the second set in a tie-break, then



Alberto Costa hitting a return against Félix Mantilla in the final of the Swiss Open final. Costa won in four sets.

carried the momentum into the third as he took a 4-0 lead. The unseeded Mantilla, who had only once before played more than three sets, seemed to wilt in the heat, and Costa dominated the fourth set.

"I could keep up at first, but in the

third set I started to have cramps in my legs," said Mantilla. "The altitude was also a factor. I got very tired."

In Bastad, Sweden, Magnus Gustafsson of Sweden took his third Swedish Open title by beating Andrei Medvedev

of Ukraine 6-1, 6-3 in the final. Gustafsson, seeded fourth, beat fifth-seeded Medvedev in one hour and 17 minutes to collect his ninth ATP title.

"I never thought it would be that easy," he said. (AP, AFP, Reuters)

Australia Rebounds in Test To End South Africa's Streak

SYDNEY — Australia, fired up after last week's dire showing against New Zealand, ended South Africa's unbeaten run with a thrilling 21-16 victory in their Tri-Nations rugby union international on Saturday.

The Wallabies, widely criticized after their record 43-6 loss to the All Blacks in New Zealand, hit back with a committed performance to end the world champions' undefeated run of 16 test matches stretching back almost two years.

Australia tackled feverishly. Even though Tony Spreadbury, the English referee, gave 21 penalties against Australia and only nine against the South Africans, the home team scored two tries to one and led 21-9 until the final minutes, when winger Pieter Hendriks scampered over wide out after a series of mauls close to the besieged Australian line.

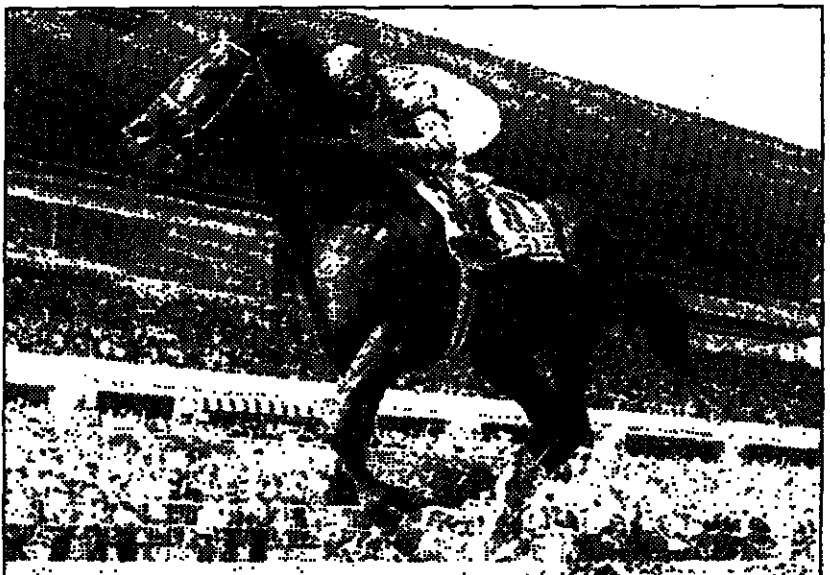
It was easily the Wallabies' best showing since they beat New Zealand 20-16 in Sydney in August 1994 and

ended their poor run of results against the top-ranked rugby nations since relinquishing their World Cup crown in South Africa last year.

South Africa was close to equaling New Zealand's test record of 17 straight victories. Their unbeaten sequence included an 18-18 draw with New Zealand in Auckland in August 1994 before they launched their winning streak with a victory against Argentina in Port Elizabeth two months later. The Springboks were last beaten by the All Blacks 13-9 in Wellington on July 23, 1994.

Skipper John Bales' crunching mid-riff tackle forced fullback Andre Joubert to spill the ball, enabling center Tim Horan to scoop it up and sprint 30 meters to the try-line in the 65th minute to put Australia 12 points ahead.

Earlier, Australia breached the well-drilled South African defense when flanker Daniel Manu and scrum-half George Gregan combined to send center Joe Roff over for a 33d-minute try.



Jerry Bailey riding Cigar to his record-tying 16th consecutive victory.

Cigar's 16th Straight Ties Citation

ARLINGTON HEIGHTS, Illinois — Cigar relentlessly and gracefully swept to his 16th straight victory Saturday, winning the Arlington Citation Challenge by 3 1/2 lengths and matching the winning streak set half a century ago by Citation.

The bay 6-year-old carried 130 pounds (60 kilograms) in a race created especially for him, in his role as a hero in a sport critically in need of one.

He ran in his established style, waiting in third place for most of the mile and an eighth and then turning it on as the field headed for home. He steadily drew clear under Jerry Bailey and held

off a late threat by Dramatic Gold. As they crossed the line, Cigar had clearly beaten all challengers once again. "He is just great," Bailey said as Cigar took curtain call after curtain call in the winner's circle. "You reach the point in the race where you turn the controls over to him, and he rolls."

It was a race created to bring Cigar to the Middle West. Arlington Park offered a purse of \$750,000, \$450,000 of that going to the winner, plus a bonus of \$300,000 for the winner. It allowed Cigar's handlers to choose the date and the distance. To lure competitors, it awarded purse money down to fifth place.

English Soccer Players Will Vote on Strike

LONDON — English soccer players will vote on whether to take strike action over the payment of television cash, the Professional Footballers' Association said Sunday.

The premier league, which has its own TV deal, would not be affected,

but the threat hangs over the 72 clubs in the other divisions.

The union action follows a decision by the league not to give the usual 10 percent of television revenue to the players. The league recently struck a £25 million (\$38.8 million) deal with Rupert Murdoch's Sky TV.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE			
EAST DIVISION			
	W	L	Pct.
New York	55	33	.625
Baltimore	48	40	.543
Toronto	40	50	.444
Boston	39	49	.443
Detroit	27	64	.297
CENTRAL DIVISION			
	W	L	Pct.
Cleveland	52	35	.597
Chicago	52	38	.578
Minnesota	44	45	.494
St. Louis	41	48	.461
Kansas City	39	52	.429
WEST DIVISION			
	W	L	Pct.
Seattle	52	37	.584
San Diego	48	40	.543
Los Angeles	44	46	.489
Oakland	44	47	.484
NATIONAL LEAGUE			
EAST DIVISION			
	W	L	Pct.
Atlanta	56	34	.622
Montreal	49	41	.544
Philadelphia	49	47	.511
Florida	41	49	.451
Pittsburgh	40	49	.448
CENTRAL DIVISION			
	W	L	Pct.
St. Louis	48	42	.533
Houston	43	47	.478
Cincinnati	42	48	.467
Chicago	42	48	.467
Pittsburgh	40	50	.444
WEST DIVISION			
	W	L	Pct.
Los Angeles	48	44	.522
San Diego	45	44	.506
San Francisco	39	50	.438

SATURDAY'S RESULTS

MAJOR LEAGUE STANDINGS			
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Woosnam Is Unruffled As Wind Beats the Rest

His 1-Over-Par 289 Takes Scottish Open

By Don Greenberg
Special to the Herald Tribune

CARNOUSTIE, Scotland — Any golfer who competed in the Scottish Open should be easy to identify at the upcoming British Open at Royal Lytham. Just look for the men walking with a tilt, their hair, and golf swings in disarray.

All except one, Welshman Ian Woosnam, who's got just the short, stocky build and compact swing to remain relatively unruffled by the stiff breeze blowing across the Carnoustie links during Saturday's final round of the Scottish Open.

Woosnam won for the third time in the tournament's 11-year history despite shooting a final-round 75, 3 over par. His 289 total, 1 over, gave him a 4-shot cushion over Scotsman Andrew Coltart. It was the first over-par winning score on the European Tour since Sandy Lyle's 2-over total won the 1985 British Open at Royal St. George's.

While Woosnam, 38, planned to prepare for Thursday's start of the Open at Royal Lytham with a relaxing few days at his home in Jersey, Europe's leading golfer, Colin Montgomerie, seemingly will be splitting his time between the practice range and the psychiatrist's couch.

His final-round 81 ruined his timing and attitude. Remember, this is the same man who praised the difficulty and condition of the course throughout the tournament, saying it was perfect preparation for the season's third major championship.

"Anyone who played at Carnoustie will be at a disadvantage," the large Scot said. "The wind destroyed a lot of people's golf swing, including mine. I've got the worst British Open record of any top player, and now I'm going in with no confidence at all."

"I've got three days to work it out. The conditions were very difficult, and the course was just too bouncy. It's a shame because the tournament deserved better than that."

As he was for the first three days, Monty was humming a different tune through the first eight holes Saturday, cruising with pars while the field was crashing and burning with monumental scores. But his well-known scowl emerged after double bogeys at the 9th and 10th holes, then evolved into a full-blown glower after a triple-bogey at the par-4 11th, when he needed three backs to emerge from bad lies in the deep rough.

Woosnam didn't stroll down the middle of the fairways, either. In fact, his large cushion evaporated early in his final nine holes when Swede Mats Hallberg joined him atop the leader board. But, for the second successive day, Woosnam made an eagle-3 on the 12th hole while Hallberg was making bogey at the 15th, and it then became a question of the "Wee Welshman" keeping himself and his shots beneath the wind.

Woosnam, who moved to within £60,000 of Montgomerie's lead atop the Order of Merit, would gladly trade all of his Scottish titles for one British crown, which he has yet to win. But if history provides any guidance, he should be among the fa-

vorites because his only major victory, the 1991 Masters, was preceded by a victory in New Orleans the week before. And his two victories this season, in Singapore and Australia, were eight days apart.

"It would be nice to win at Lytham," he said. "But I'm not going to go there and expect too much of myself. It's a tough course, and the conditions could get like they were here, and then there's the extra pressure of it being the Open."

Seve Ballesteros won the last two times the Open was played at Royal Lytham, in 1979 and '84, but he has had immense difficulty driving onto the correct fairway and would be the longest of long shots to capture his sixth major.

Tom Watson, winner of five Open titles and a contender at Turnberry two years ago until poor final-round putting wrecked his chances, ended a nine-year victory drought on the U.S. tour when he won last month at Muirfield Village. He has prepared for his favorite type of golf by heading to the north of Scotland to play Cruden Bay, Royal Dornoch and Royal Aberdeen.

John Daly is the defending champion, having survived Constantino Rocca's unbelievable 72d-hole pyrotechnics at St. Andrews to win in the unique 4-hole playoff. But The Old Course allows big hitters to belt the ball long and left without severe penalty. Royal Lytham's fairways are much tighter, and deep bunkers await the big hook, not an adjacent fairway.

Nick Faldo has quietly prepared for what he hopes will be his fourth Open title and seventh major by playing in relative obscurity at another Open venue, Royal St. George's.

And Greg Norman, the world's top-ranked golfer, will be attempting to win this week in the same fashion as his previous two Open championships, by building a lead then hanging on. But Norman has suffered deep wounds since his 2-shot victory over Faldo at Royal St. George's three years ago, the most recent coming when he blew a 6-shot final-round lead at the Masters this year and lost by 5 to Faldo.



Ian Woosnam saluting the crowd after winning the Scottish Open.

IHT Puts Baseball Stats on the Internet

All the box scores and the 1996 schedule on the IHT web site: <http://www.ihl.com/IHTSPORTS/ihl.html>

Stays Put

SPORTS

Yanks Sweep Orioles, Lead by 10

New York Hadn't Won 4 in Baltimore Since 1955

The Associated Press

The New York Yankees completed their first four-game sweep in Baltimore since 1955, beating the Orioles 4-1 Sunday behind a solid pitching performance by Andy Pettitte.

The sweep left New York a season-high 10 games ahead of second-place Baltimore in the AL East. The Orioles have lost five straight.

Designated hitter Darryl Strawberry singled, doubled, stole a base and scored twice for the Yankees, who have won four straight and nine of 10. New York won all six games in Baltimore, the first time they'd ever won six straight on the road against the Orioles in one year.

The last time the Yankees swept a four-game series in Baltimore was when they won successive doubleheaders on Aug. 14 and 15, 41 years ago in the Orioles' second season after moving from St. Louis, where they were the Browns.

Pettitte (14-4), the winningest pitcher in the AL, allowed one run and six hits in seven innings. He walked one and struck out three in improving to 8-0 in day games this year.

Pettitte did not pitch in the All-Star game because of some concerns about his elbow. But he looked good against the Orioles before turning over a 2-1 lead to the bullpen.

Bob Wickman worked the eighth and John Wetteland got three outs for his major league-high 33rd save, the fourth in the series. He has converted his last 27 save opportunities and has saves in his last 24 appearances, extending his own major-league record.

White Sox 3, Royals 2 In Kansas City, Missouri, rookie James Baldwin held the Royals to three singles in eight-plus innings, and Danny Tartabull drove in all three runs as Chicago defeated the Royals.

Baldwin (8-1), whose only loss was on May 13 to Milwaukee, struck out two and did not issue a walk before giving way to Roberto Hernandez. He got the final three outs for his 28th save, allowing an RBI grounder to David Howard and Jose Offerman.

Baldwin left after allowing a leadoff single to Joe Randa and hitting Mike Macfarlane with a pitch to start the ninth.

On Saturday night, Alex Fernandez beat the Royals 3-1 with a complete-game four-hitter in which he did not give up a walk.

Tony Phillips turned in the finest defensive play of the four-game series in the sixth, when he crashed into the left-field wall while catching Macfarlane's drive. Phillips fell heavily to the warning track, but managed to hold onto the ball.

Red Sox 6, Tigers 4 In Detroit, Tim Lincecum and Mo Vaughn homered, and

Boston won its fifth in a row, finishing off a four-game sweep of Detroit.

Boston's winning streak is its longest of the season. The Red Sox have won nine of 10 against the Tigers this year.

Jamie Moyer (5-1) won a start for the first time since April 18. The left-hander had no decisions in his last four starts.

Moyer gave up one earned run and seven hits in 5 1/2 innings. Heathcliff Slocumb worked the ninth for his 12th save.

Felipe Lira (6-8), who had won three straight decisions, was tagged for five earned runs and 10 hits in 6 1/2 innings.

Andruw Jones hit his first AL home run for Detroit, which has lost five of six.

Naehring, who scored five runs in Boston's 10-5 victory on Saturday, reached base and scored in his first two at-bats Sunday.

Twins 5, Indians 4 In Minneapolis, Paul Molitor hit a solo home run with one out in the ninth inning and Minnesota beat Cleveland, ending the Indians' five-game winning streak.

In the process, the Twins ended their four-game losing skid. They also prevented the Indians from sweeping a series for the first time at the Metrodome.

Molitor connected off Eric Plunk (2-1) for his seventh home run.

Eddie Guardado (5-3) pitched a perfect ninth for the victory.

Mark Carreon, acquired by Cleveland during the All-Star break in a trade that sent pitcher Jim Poole to San Francisco, hit a two-run homer off Frank Rodriguez in the seventh that tied it at 4.

Jim Thome hit his 18th homer in the first for Cleveland, which scored 37 runs in winning the first three games of the series.

In the National League:

Braves 16, Marlins 10 In Atlanta, slumping Ryan Klesko hit a pair of homers and drove in six runs, and the Braves scored five times in the eighth inning to beat the Florida.

Marquis Grissom had four hits and scored four runs for Atlanta. Jeff Conine homered twice and drove in four runs for Florida.

The score was tied at 10 in the eighth when Grissom singled off Yorkis Perez (2-3). A bases-loaded walk by Javy Lopez from Terry Mathews put the Braves ahead. Jermaine Dye had an RBI grounder and Klesko hit his 24th home run.

The Braves won for the fifth time in six games. The Marlins went 2-10 on their road trip, during which they fired manager Rene Lachemann and replaced him with John Boles. Florida won in

Boles' debut Thursday night, but lost the next three in Atlanta.

Expos 5, Phillies 2 In Montreal, Sherman Oando hit two home runs for the first time in his career, and the Expos avoided a four-game sweep by beating Philadelphia.

Mike Lansing's tie-breaking single in the seventh inning put the Expos ahead 3-2. F.P. Santangelo hit a two-run homer off Ron Blazier in the eighth.

Montreal closed out its homestand with a 3-8 mark. The Phillies lost for the second time in eight games.

Tied at 2 in the seventh, Santangelo drew a walk from starter Mike Williams (3-7) and stole second. He moved to third on a one-out grounder and, after a walk to Mark Grudzielanek, scored on Lansing's single.

Oando homered off Williams leading off the second. Oando's seventh home run in the fourth gave the Expos a 2-1 lead.

Reds 7, Pirates 6 In Cincinnati, Reggie Sanders hit two home runs and pitcher Dave Burba homered for the first time in his career, powering Cincinnati Reds past Pittsburgh.

Eduardo Perez, son of former Reds star Tony Perez, hit his first NL home run as Cincinnati won for the third time in the four-game series.

Burba (4-5) pitched into the sixth. Mark Johnson's two-run homer off Jeff Shaw cut it to 7-6 in the eighth, but Jeff Brantley got the last three outs for his 24th save.

The Pirates have lost six of eight in large part because of their rotation, which was overhauled last weekend. Pittsburgh's starters are 3-8 with a 7.39 ERA since June 30.

Paul Wagner (4-7) extended the slump. The right-hander gave up five runs on six hits in 4 1/2 innings, including Burba's first homer in 85 career at-bats and Sanders' two-run homer in the third for a 3-0 lead.

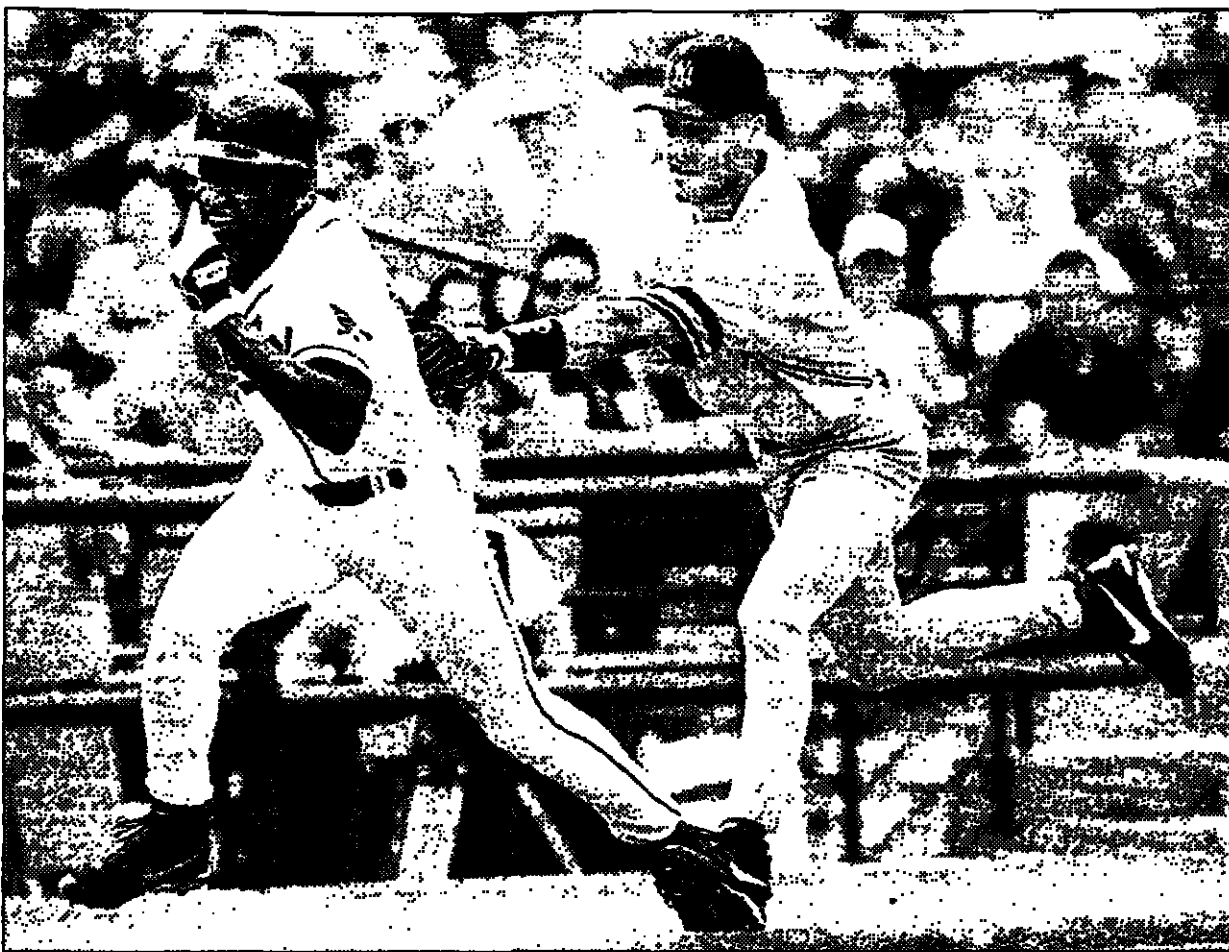
Wagner is 1-7 with a 6.75 ERA in his last 11 starts.

Astros 7, Mets 5 In New York, Jeff Bagwell, who disputed a called third strike in the ninth inning, hit a go-ahead home run in the 11th that sent Houston Astros over New York in the first game of a doubleheader.

Derrick May homered twice and drove in three runs for Houston.

The Astros tied it at 5 with a run in the ninth off John Franco, who has blown five of 24 save chances. Craig Biggio had an RBI single, but Bagwell struck out later in the inning with two on.

Bagwell atoned in the 11th, connecting with two outs on a 3-2 pitch from Dave Mlicki (4-4) for his 23rd home run. Mike Sinna, pinch-hitting for Xavier Hernandez (1-4), followed with a single and scored on Derek Bell's double.



Yankee shortstop Derek Jeter tagging Mike Devereaux of the Orioles who had broken for home on a grounder.

Eye Problem Forces Puckett to Retire

By Mark Maske
Washington Post Service

BALTIMORE — Kirby Puckett, the Minnesota Twins outfielder who is one of baseball's best hitters, has been forced into retirement by an uncorrectable eye problem.

Puckett, 35, underwent surgery on his right eye in Baltimore on Friday, and his doctor discovered what he called "irreversible retinal damage."

The 10-time all-star hasn't played all season because of blurred vision in his right eye, which doctors said was caused by the early stages of glaucoma.

Puckett flew back to Minneapolis and announced his retirement at an evening news conference at the Metrodome.

"The world is not over," Puckett said. "I can't see out of my right eye. But I'm going to go on with my life. I saved my money good. This is a day I hadn't really been looking forward to. But some things happen, and there's no reason for them. They just happen. I'm an upbeat person all the time."

"Coming out of a bad neighborhood in Chicago, people thought I'd never do anything. And here I am. It's a tough day for me. I can't sit here and lie and say I

won't miss the game, because I will. I've missed it since March 28. I'm proud to say I played with a lot of pride and dignity and class whenever I put the uniform on."

Each of Puckett's teammates attended the news conference, along with former Twins first baseman Kent Hrbek.

Puckett wore his uniform, plus an eye patch and sunglasses. He wore a cap with the number 29 written on it as a tribute to California Angels hitting instructor Rod Carew, whose 18-year-old daughter Michelle died of leukemia in April.

"I just got through telling Kent Hrbek the last time I was in here was when he was doing this retiring," Puckett said. "He told me this is a tough room. And he's right. I want to tell my teammates that they're not getting rid of me. I'll still be around, just not as much. Baseball's been a great part of my life. But now it's time to move on to another chapter of my life. I'll be all right. I'll still have a smile on my face. I just won't have a uniform on any more."

Puckett finishes with 2,304 hits and a .318 batting average. He led the Twins, with whom he spent his entire 12-year major league career, to World Series titles in 1987 and '91. In Game 6 of the 1991

World Series against the Atlanta Braves, he had a game-saving catch in center field and a game-winning home run off Charlie Leibrandt in the 11th inning.

He was a free swinger whose best season was 1988, when he batted .356 with 24 homers and 121 RBI. He won the American League batting title in 1989 when he hit .339. Despite his stubby physique — he's listed at 5 feet 9 (1.75 meters) and 223 pounds (101 kilograms) — Puckett once was among the game's best defensive center fielders.

"To have been able to sit and watch every game he played — how lucky am I?" said Tom Kelly, the Twins manager. Carl Pohlad, the team's owner, met Puckett's plane at the Minneapolis airport and embraced his franchise's centerpiece player.

Pohlad signed Puckett to a five-year, \$30 million contract extension following the 1992 season, when the Boston Red Sox were trying to lure away the outfielder via free agency.

Puckett woke up on March 28 with, he said, a large black dot at the center of the field of vision in his right eye.

He had had two hits against Atlanta Braves ace Greg Maddux in a spring training game the day before.

Payton Stays Put, Howard Moves On

The Associated Press

Gary Payton decided to stay with Seattle, Charles Barkley said his trade had been squashed, and Howard and Alonzo Mourning signed with the Miami Heat, the New York Knicks signed a new backcourt tandem, and the Los Angeles Lakers furthered their gamble on Shaquille O'Neal.

Business was brisk in the NBA free agent market Sunday as the flurry of signings followed the big moves on Saturday when the Heat recruited Howard and re-signed Mourning.

The Knicks spent their \$9.2 million in salary cap room on point guard Chris Childs and shooting guard Allan Houston. New York's trade of Anthony Mason and Brad Lohans to the Charlotte Hornets for Larry Johnson was likely to be finalized Monday, sources said.

Payton agreed to a seven-year, \$85 million contract with the SuperSonics, the team he led to the NBA Finals last year.

On Saturday, Mourning reached agreement in principle to re-sign with the Heat on the same day Howard also reached agreement with Miami, leaving the Washington Bullets after two seasons.

Each player agreed to a seven-year deal, but David Falk, their agent, declined to divulge other details or the financial terms. League sources said that Howard will earn \$98 million and

Mourning \$105 million, average annual salaries of \$14 million and \$15 million, respectively.

"We are working out final details," Falk said.

Barkley said that the NBA had quashed a proposed three-team trade which would have sent him to Houston because the teams involved had violated the moratorium on negotiations that expired last Thursday.

"One of my agents said the league wouldn't let the deal go through because too much tampering had been involved," Barkley said. "I think that's gutless on the part of the NBA because everybody has tampered. To hold me hostage because they're trying to prove a point is unfair."

Barkley expected to be traded in a three-team deal that would have sent Robert Horry and Sam Cassell to Denver and Dikembe Mutombo to Phoenix.

Mutombo is a free agent, however, and may be able to get a better offer than the \$8.5 to \$9 million a year that the Suns would have paid him. The Atlanta Hawks were believed to be offering close to \$10 million a year for seven years.

The Lakers, who have offered about \$95 million over seven years to O'Neal, lost a chance to sign Dale Davis as they waited for O'Neal to make up his mind between Los Angeles and Orlando.

"The financial package will be in-

credible, so it's not something we're dwelling on," said Leonard Armato, O'Neal's agent. "The main factors are the likelihood of a championship and the feeling Shaq has about the city. Orlando wants us to explore the options. Then they'll put their best foot forward."

Davis, told that the Lakers wanted to wait for O'Neal, opted to re-sign with Indiana for seven years and \$42 million, sources said. Indiana also reached agreement with Antonio Davis, who will re-sign for \$38.5 million over seven years.

The Lakers' offer to O'Neal is all the money they have available under the salary cap without renouncing the rights to forward Elden Campbell. It includes an escape clause after three seasons to recoup the money O'Neal is losing by not re-signing with Orlando, who can exceed the salary cap in re-signing their own player.

The Lakers' offer averages \$13.6 million a year. O'Neal would start at \$8.53 million a year, with room created by the Lakers' trade of center Vladi Divac to Charlotte.

The deal contains a clause that would enable O'Neal to get more money after the third season. The clause would allow O'Neal to become a free agent again after the 1998-99 season. The Lakers could then make a new offer that would not be covered under the salary cap.

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Barkley Scraps With Hot Aussie

New York Times Service

SALT LAKE CITY — Charles Barkley and Shane Heal nearly came to blows during the first half of the Dream Team's 118-77 exhibition victory over Australia on Friday as Heal was stealing the show with a great display of three-point shooting.

"I wasn't going to hit him. I don't hit people unless it's late at night," Barkley said. "If I wanted to hurt him, I could have."

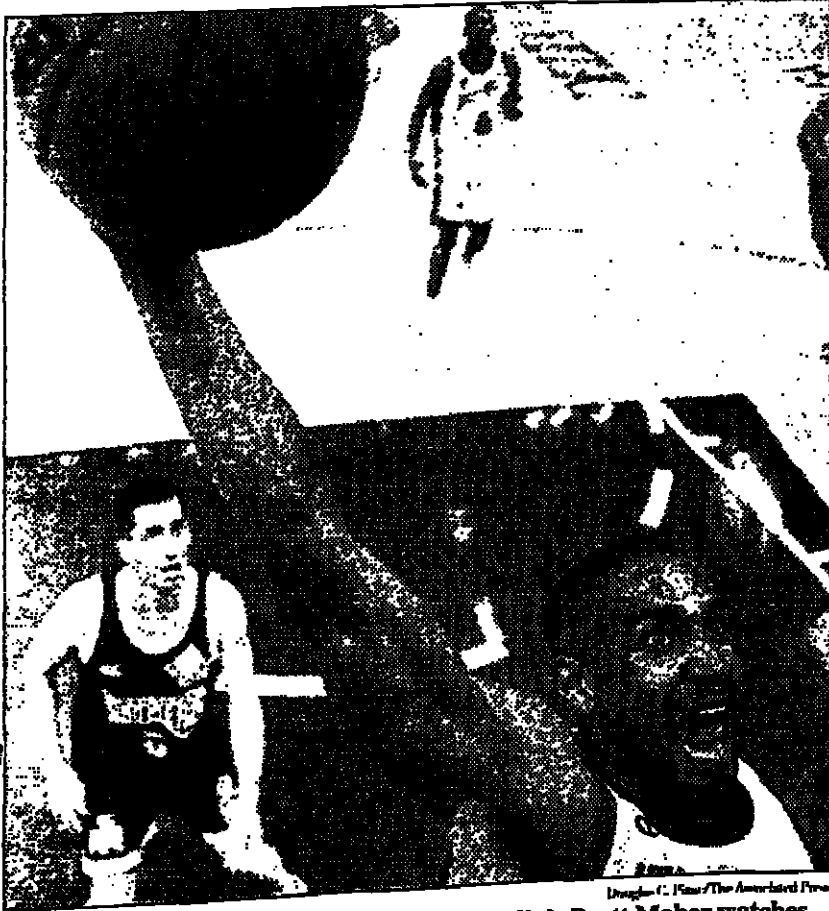
A split-second after Heal nailed his fourth three-pointer, Barkley ran into him as Heal landed on his feet. Heal lowered his shoulder and bumped Barkley as they ran upcourt, and the two exchanged angry words.

"I fouled him, but then he started calling me names," Barkley said. "He didn't have to do that, and I'm not going to accept that."

Heal and Barkley scrapped at mid-court and had to be separated by the referees.

"We've grown up respecting those guys, but we won't back down from anybody," said Heal, who was 8-for-13 on 3-pointers and 10-for-17 overall as he scored 28 points.

Reggie Miller led the U.S. team with 19 points. Shaquille O'Neal scored 18.



Dream Team's Grant Hill dunking as Australia's Brett Maher watches.

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Herald Tribune SPORTS

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WORLD ROUNDUP



Conchita Martínez of Spain celebrating her victory in the Fed Cup on Sunday. Page 18

Bowe Cash Held

BOXING Riddick Bowe's pay for his heavyweight bout in New York that ended in a riot — reportedly about \$5 million — is being held up by the New York State Athletic Commission until the commission is satisfied that the Bowe camp is providing full cooperation in the investigation.

New York police said they had filed charges against three men in Bowe's entourage in connection with Thursday night's 30-minute brawl at Madison Square Garden after Andrew Golota was disqualified for fouling and Bowe was awarded the victory. A fourth man, Stephen Bowe, was charged with third-degree assault. Police could not confirm whether he was related to the boxer.

"We wanted to make sure there was the maximum amount of cooperation," said Larry Mandelker, attorney for the New York Athletic Commission. The brawl, which spread into the crowd, began after members of Bowe's camp rushed into the ring. (WP)

East Stars Star

SOCCER Steve Pittman scored off a pass from Carlos Valderrama with 2:09 remaining Sunday, to give the East a 3-2 victory over the West in Major League Soccer's first All-Star game.

The game attracted a sellout crowd of about 77,000 to Giants Stadium for the opener of a double-header that concluded with a world all-star game. (AP)

Kipster Rebuffs Kenya

OLYMPICS World 800-meter champion Wilson Kipster was turned down an offer from his native Kenya to run in its team at the Atlanta Games and will not compete, Olympic officials said Saturday. Kipster ran for Denmark in last year's world athletics championships but does not yet have full Danish citizenship. (AP)

Lancs Lift Cup

CRICKET Lancashire won the Benson and Hedges Cup for the fourth time at Lord's on Saturday. Lancashire beat Northamptonshire by 31 runs to gain their 12th one-day trophy. Bowler Ian Austin took the gold award with four for 21 as Northamptonshire was all out for 214 in reply to Lancashire's 245 for nine. (AFP)

Basques Threaten Tour

CYCLING Basque radicals threatened Sunday to put cyclists and fans of the Tour de France at risk when the race goes through Basque areas of Spain this week. "We are not willing to allow the race through Basque territory unless there are substantial changes in the stages," said an anonymous communiqué published in Egin, a pro-independence daily. (AP)

Villeneuve Cruises to Victory in British Grand Prix

Compiled by Our Staff From Dispatches

SILVERSTONE, England — Jacques Villeneuve in a Williams-Renault won Sunday's British Grand Prix as race favorite Damon Hill and two-time defending world champion Michael Schumacher failed to finish.

The victory, however, was put on hold after the race when officials announced that Benetton-Renault had filed a protest against Villeneuve and his winning car. Their complaint was believed to concern the front-wing end plates on the Williams car.

The protest was turned down after lengthy discussion and Benetton did not appeal.

Villeneuve, a Canadian, started from second on the grid but leapt into first place at the start. He led for almost the whole race, finishing 19.026 seconds ahead of Austrian Gerhard Berger's Benetton-Renault and 50.830 ahead of Finland's Mika Hakkinen in a McLaren-Mercedes.

In the early stages, Villeneuve pulled away steadily from second-place Jean Alesi and Hakkinen in third — and then gave up the lead briefly when he pitted

on the 23d lap — his first of two stops.

He moved back into the lead about a half-dozen laps later when Alesi went into the pits. Alesi and his Benetton-Renault disappeared as a threat when the Frenchman went out on the 44th lap with wheel-bearing problems.

Villeneuve, a rookie in Formula One, was never challenged on a track that is familiar to him and has been the site of his testing all season.

It was a day of disappointment for Hill and, once again, the Ferrari team.

Hill, racing before his home crowd spun off after struggling through 27 laps. Both Ferraris dropped out of the race inside six laps in a repeat of their poor performance at the French Grand Prix two weeks ago.

Schumacher's car slowed and pulled off on the third lap with what he said was a loss of hydraulic pressure. His Ferrari teammate Eddie Irvine retired on the sixth with engine problems.

"To be honest, I only can say that something silly has happened," said Schumacher. "It's a five-penny part, it's an o-ring, a nut which was loose." It was the fourth time in the last five

races that Schumacher failed to finish.

Brazilian Rubens Barrichello was fourth in a Jordan ahead of Briton David Coulthard in a McLaren and fellow-Briton Martin Brundle in a Jordan.

Hill said he thought his car had suffered from a wheel bearing failure which may have caused it to spin off the track.

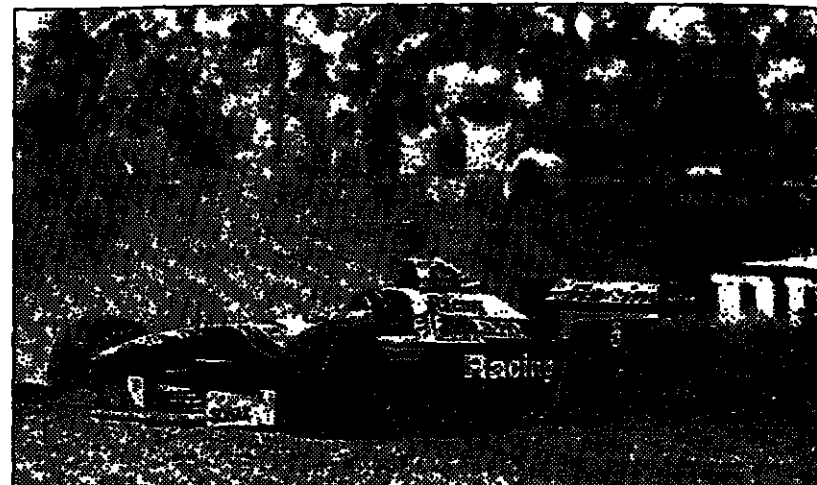
"I had a bit of a sensation and something was wrong with the front of the car for about three or four laps," Hill said.

Four Killed in Crash in France

Four people were killed and 23 injured Sunday when a race car went out of control and flew into a crowd of spectators at Alençon, France, the Associated Press reported.

Three helicopters ferried the injured to hospitals near the racetrack in Essai, in the Orne region west of Paris. The cars were racing in a European rally-cross championship qualifier.

"On a curve, the driver in the lead lost control of his car and went over the security embankment," said Bernard Tomasini, prefect of the Orne region. "This caused a pileup, and another car



World championship leader Damon Hill spinning out at Silverstone.

also went over the embankment and flew into the crowd."

Reuters reported that a Belgian official and a British rider were killed on Sunday in the Francorchamps 24-hour

motorcycle race, a race official said. The two died after the official, Charles Albert, apparently stepped on to the track to retrieve an object and was hit by the Briton, Lee Pullan, riding a Kawasaki.

On Bastille Day, Uzbek Wins Tour Stage

Frenchmen Eat His Dust In Fast Pace

By Samuel Abt
International Herald Tribune

TULLE, France, July 14 — Here it was Bastille Day, the French national holiday, the day on which almost every French rider would give his rear wheel for a victory in the Tour de France.

And the winner of the 14th of 21 stages was ... Djamilidine Abdoujaparov, an Uzbek. That's Uzbek as in a native of Uzbekistan, about two months' journey eastbound by bicycle from France. He lives in Italy, where he races for the Refin team.

Abdoujaparov, the victor in a handful of Tour sprints over the years and twice the winner of the green points jersey, ended a longish breakaway with four companions — two of them French — by leaving them in his dust (*la poussière*) with two kilometers sharply uphill to go Sunday. He had enough power (*la force*) to win by seven seconds over Mirco Gualdi, an (*nom de Dieu*) Italian with the Polti team.

So what if, in the patois, Abdoujaparov was able to *mettre des batons dans les roues* (put some sticks in the others' wheels)? Nine seconds back, in third place, was Laurent Madouas, a Frenchman with Motorola. Seven further seconds behind in fourth place was Didier Rous, a Frenchman with Gan. Let the dancing in the streets resume.

Abdout was timed in 4 hours 6 minutes 29 seconds as he blew whatever chance he had for the Legion d'Honneur. In a stage run in sunny heat in the high 80s Fahrenheit (low 30s centigrade) and under a sky of marshmallow clouds, his time averaged better than 45 kilometers an hour (30 miles an hour).

That rapid pace resulted in the elimination of three riders, the Japanese Daisuke Imanaka, among them for finishing outside the time limit. Imanaka finished last, 41:23 behind. Along with three riders who quit, the eliminations reduced the field to 137 among the 198 who started the three-week race.

George Hincapié, an American with Motorola, also finished outside the limit but was spared because he crashed heavily on a descent and needed time to be patched up before he could resume riding. His possibilities of starting Monday were uncertain.

Abdoujaparov's high speed was also more than the leaders of the Tour felt like following. They arrived nearly five minutes behind the Tashkent Terror, as Abdou is known for his habit of putting



Spectators watching the pack from afar Sunday as cyclists make their way through the Auvergne Mountains.

his head down in sprints and weaving hither and yon among his rivals, just the way he did as a boy in camel races back home.

Bjarne Riis, a Dane with Telekom, remained in the yellow jersey, 56 seconds ahead of Abraham Olano, a Spaniard with Mapei, and 1:14 ahead of Evgeni Berzin, a Russian with Gewiss.

Moving up to 12th place overall was another member of the breakaway, Bo Hamburger, a Dane with TVM, who finished fifth. He started the day in 16th place, 11 minutes down, and jumped to 12th, 6:38 behind.

Miguel Indurain, a Spaniard with Banesto and the winner of the last five Tours de France, remained in eighth place, 4:38 behind. But Indurain came mighty close to falling, like the Bastille, on this day.

He was trapped with 15 kilometers gone and the pack on a climb of 7 kilometers at a grade of 5.7 percent up to the Croix Morand pass. Alone among the leaders, Indurain and Tony Rominger, a Swiss with Mapei who is in fourth place overall, were in the rear of the caravan.

As Riis went over the top, he accelerated. Followed swiftly by teammates and other major riders, the man in the yellow jersey was suddenly 25 seconds ahead of Indurain and Rominger. Behind them, Indurain and five of his Banesto teammates were leading a losing chase.

The lead mounted from kilometer 21.5, the site of the attack, to 42 seconds by kilometer 43 and a full minute shortly afterward. Only when the ONCE and Kelme teams, also from Spain, joined the weak Banestos at the front did the lead begin coming down.

By kilometer 60, everybody was back together again, the trap sprung. It was not like Indurain to be caught at the rear when all his rivals were at the front, and it was another sign that his accustomed luck, like his leg strength, is not what it has been the last five years.

Similarly, the attack by Riis, which matched a basically fruitless one by Indurain on Saturday, showed that he is either very strong or extremely confident. Either way it even showed both.

More will be known once the Tour enters the Pyrenees on Tuesday. In-

durain's 32d birthday. Ominously, among the four riders who have won the Tour a record five times — Jacques Anquetil, Eddy Merckx, Bernard Hinault and Indurain — only the Spaniard has been able to record a victory after his 31st birthday.

Once peace was restored after the Riis breakaway Sunday, the pack allowed a series of attacks by low-ranked riders, many of them Frenchmen who remembered the acclaim that Vincent Barthelemy gained in 1992 when he won solo in Marseille, and that Laurent Jalabert gained last year, when he won solo into Mende.

Usually joined immediately by Italian riders, the Frenchmen did their best to escape over roads awash in gravel loosened by melting tar. François Simon, Laurent Brochard, Thierry Bourignon, Gilles Talmant, Laurent Roux — one after another they tried and were thwarted. Bastille Day was Abdou's holiday.

But, as François Lemarchand, a French rider with Gan, said before the stage, "A victory on July 15 is just as wonderful as one on July 14."

England Tossed Out Of Rugby Tournery

Reuters

LONDON — Rugby Union officials across the British Isles booted blame back and forth on Sunday, a day after England was thrown out of the Five Nations tournament in a dispute over television revenue.

John Richardson, the president of England's Rugby Football Union, said he was seeking talks to keep England in the championship, an annual international competition, which also includes Scotland, Wales and Ireland, the three countries who want England expelled, as well as France.

Richardson rejected suggestions that English officials had been told they would be ejected before Saturday's announcement and before the rugby union's annual general meeting on Friday.

Tom Kiernan, the former Ireland captain and the chairman of the Five Nations committee, said: "We had all been hoping that the RFU's annual general meeting would have seen England returning to the Five Nations fold, but this does not appear to be the case."

There was no mention of the imminent decision at England's annual meeting. Richardson said English officials had not been told of the decision and were caught by surprise by the decision.

The Five Nations tournament does not start until early 1997.

Traditionally the British unions have negotiated a joint contract with the BBC. But England recently signed an £87.5 (\$135.9 million) million deal with Sky. Rupert Murdoch's British-based satellite television company, Sky offered separate contracts to the other three unions on the British Isles: £40 million to Wales, £20 million to Scotland and £18 million to Ireland.

A spokesman for Sky said: "The agreement with the RFU is not dependent on England being in the Five Nations."

Bernard Lapsasset, the French Rugby Federation president, said he hoped the decision was not final, but added: "France has preserved its rights. There will be a match against England each year."

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